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ABSTRACT

The Congressional Research Service has compiled the information in this document in order to assist the 100th Congress as it considers reauthorization of most of the major Federal elementary and secondary programs. For each program, basic statistics, a short history, and a summary of the major issues confronting the Congress in reauthorization are presented. The specific programs discussed include: (1) Education Consolidation and Improvement Act, as amended--education for disadvantaged students and elementary and secondary education block grants; (2) Bilingual Education Act, as amended; (3) Impact Aid, as amended; (4) Adult Education Act, as amended; (5) Education for Economic Security Act, as amended; (6) Indian Education Act, as amended; (7) Emergency Immigrant Education Act; (8) Magnet Schools Assistance, as amended; (9) Women's Educational Equity Act, as amended; (10) Excellence in Education Act, as amended; (11) "Territorial" Assistance, as amended; and (12) Ellender Fellowships, P.L. 92-506, as amended. (PCB)

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FEDERAL ASSISTANCE FOR ELEMENTARY AND SECONDARY EDUCATION: BACKGROUND INFORMATION ON SELECTED PROGRAMS LIKELY TO BE CONSIDERED FOR REAUTHORIZATION BY THE 100TH CONGRESS

PREPARED FOR THE

SUBCOMMITTEE ON ELEMENTARY, SECONDARY, AND
VOCATIONAL EDUCATION

OF THE

COMMITTEE ON EDUCATION AND LABOR

U.S. DEPARTMENT OF EDUCATION
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FOREWORD

The 100th Congress will deal with reauthorizing most of the major Federal elementary and secondary education programs. In order to help us prepare for this task, the Congressional Research Service has compiled the basic statistics on each of these expiring programs, together with a short history of the program and a summary of the major issues presently confronting us in reauthorizing each program.

The Committee on Education and Labor is printing CRS' papers because they will serve as a very valuable resource, not only for our Committee Members, but also for other Members of Congress, as well as for the general public. The Congressional Research Service has done an exemplary job of compiling this information and we are most appreciative to CRS for its work. We would particularly like to thank Angela Evans; Forbis Jordan; Wayne Riddle; Paul Irwin; Richard Holland; Bob Lyke; Jim Stedman; and Charlotte Fraas.

AUGUSTUS F. HAWKINS,
Chairman, Committee on Education and Labor.

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(The authors wish to credit Nan Hill for secretarial production of this report.)

FEDERAL ASSISTANCE FOR ELEMENTARY AND SECONDARY EDUCATION: BACKGROUND INFORMATION ON SELECTED PROGRAMS LIKELY TO BE CONSIDERED FOR REAUTHORIZATION BY THE 100th CONGRESS

I. INTRODUCTION

This report provides background information on a number of programs of Federal aid to elementary and secondary education that are likely to be considered for reauthorization by the 100th Congress. The authorizations for appropriations for most of these programs, including all those under the Education Consolidation and Improvement Act of 1981, are scheduled to expire during the term of the 100th Congress (1987 and 1988). 1/ The programs in this report include most Federal programs of aid to elementary and secondary education, except those under the Education of the Handicapped Act and the Carl D. Perkins Vocational Education Act, which are typically treated separately from other elementary and secondary education programs by the Congress.

The specific programs included in this report are as follows:

-- chapter 1, Education Consolidation and Improvement Act, as amended: education for disadvantaged children--basic grants plus State agency programs for migrant, handicapped, and neglected and delinquent children;

-- chapter 2, Education Consolidation and Improvement Act, as amended: elementary and secondary education block grant;

1/ For these, as well as other Department of Education programs, a contingent extension of authorization is provided in sec. 414 of the General Education Provisions Act (title IV, P.L. 90-247, as amended). Under sec. 414, if the Congress does not extend, or explicitly act to reject extension of, an applicable program, the authorization for that program is automatically extended for up to 2 additional fiscal years.

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-- Bilingual Education Act, title VII of the Elementary and Secondary Education Act, as amended;

-- Impact Aid: school assistance in Federally affected areas--Public Laws 815 and 874, 81st Congress, as amended;

-- Adult Education Act, as amended;

-- Education for Economic Security Act, title II, as amended: science and mathematics education;

-- Indian Education Act, title IV of the Education Amendments of 1972, as amended;

-- Emergency Immigrant Education Act, title VI of the Education Amendments of 1984;

-- Magnet Schools Assistance, title VII of the Education for Economic Security Act, as amended;

-- Women's Educational Equity Act, title IX, part C, of the Elementary and Secondary Education Act, as amended;

-- Excellence in Education Act, title VI of the Education for Economic Security Act, as amended;

-- "Territorial" Assistance, sections 1524 and 1525 of the Education Amendments of 1978, as amended; and

-- Ellender Fellowships, P.L. 92-506, as amended.

These programs are discussed in individual chapters in this report, in the order listed above. Please note that pages are numbered consecutively only within chapters, not for the entire report. Thus, each page has a two-part number--a Roman numeral indicating the chapter number (see the table of contents for a guide to these numbers), followed by the page number within that chapter.

With limited exceptions, as noted in the text, each program chapter includes the sections listed below:

--Summary of program purpose and structure;
--Brief legislative history;
--Allocation formula and process;
--Program funding history;
--Participation level and trends;
--Synthesis of evaluation findings;

--Additional program background information and issues; and
--Sources of additional information. 2/

The funding history sections include tables for each program giving appropriations for each year of the program's existence 3/, plus the percentage change in appropriations (annual and, in most cases, cumulative) in both current and estimated constant dollars. 4/ In addition, in the two cases where such data are available (total funding for chapter 1, Education Consolidation and Improvement Act and for the Impact Aid programs) a similar funding table is provided in terms of outlays per fiscal year. Finally, for most programs 5/, a graph of the funding (appropriations and, where available, outlays) history, in current and estimated constant dollars, is provided. Please note that in the graphs, funding amounts are based on the "program year" during which the funds are primarily used, which, for "forward funded" programs such as those under the Education Consolidation and Improvement Act, will be the year following the "budget (or appropriations) year." 6/

2/ The last section has been limited to current Congressional Research Service reports.

3/ Except for the Impact Aid programs, for which appropriations are included only since fiscal year 1965.

4/ Hence, dollars adjusted for changes in price levels over time. For a discussion of the methods used to estimate constant dollar funding amounts, see the appendix of the Congressional Research Service report, Impact Of Legislative Changes On Major Programs Administered By The Department Of Education, Fiscal Years 1980-1987, by Paul M. Irwin, et al, November 20, 1986, Report no. 86-990 EPW, p. 99-107.

5/ The programs for which a funding history graph is not provided are those that are relatively small (e.g., Ellender Fellowships) or that have a brief funding history (e.g., Magnet Schools Assistance).

6/ For example, for Education Consolidation and Improvement Act chapter 1 or 2, the fiscal year 1987 appropriation will be used (i.e., allocated to State and local educational agencies, and used to provide educational services at those levels) primarily during the following fiscal year, 1988.

The focus of this report is on factual background information that Members of Congress and their staffs might find useful in considering legislation to reauthorize these elementary and secondary education programs. It is intended to be a basic resource of information on the history, nature, and effects of these programs, as well as a guide to sources of additional information (e.g., recent program evaluations).

This report does not include specific options or alternatives for extending or amending the programs, or pro and con arguments regarding such options. In several cases, such reauthorization option discussions and analyses for these programs have been or are being prepared by Congressional Research Service analysts; 7/ Members of Congress and their staffs should contact the Service if they are interested in obtaining such information. This report also does not contain information on new types of elementary and secondary education assistance programs that the Congress might want to consider.

7/ See, for example, the Congressional Research Service report, Chapter 1, Education Consolidation and Improvement Act, Grants To Local Educational Agencies For The Education Of Disadvantaged Children: Selected Reauthorization Options And Alternatives, by Wayne Riddle, Report no. 86-1032 EPW, December 12, 1986.

II. CHAPTER 1, EDUCATION CONSOLIDATION AND IMPROVEMENT ACT-- GRANTS TO LOCAL EDUCATIONAL AGENCIES FOR THE EDUCATION OF DISADVANTAGED CHILDREN

SUMMARY OF PROGRAM PURPOSE AND STRUCTURE

Title I of the Elementary and Secondary Education Act (ESEA) was originally enacted in 1965 (P.L. 89-10) as a cornerstone of President Lyndon B. Johnson's "War on Poverty." The program's stated aim, from that time until the present, was to provide supplementary educational and related services to educationally disadvantaged children who attend schools serving relatively low-income areas. In 1981, the legislation authorizing this program was substantially revised and is now chapter 1 of the Education Consolidation and Improvement Act (ECIA).

In practice, funds have been distributed both to and within school districts (to the level of individual school attendance zones) 1/ primarily on the basis of counts of school-aged children from low-income families, rather than some more direct measure of educational disadvantage (such as achievement tests). This has been done on the assumptions that there is a high correlation between poverty and educational disadvantage, and that disadvantaged children attending schools serving low-income areas are more in need of assistance and less likely to have supplementary services provided from local resources than

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1/ Hence, the geographic areas within which pupils of the relevant grade levels are usually assigned to a particular public school.

those attending other schools. However, once funds reach the school itself, children are selected to be served solely on the basis of educational disadvantage, not low income.

The legislation for this program has been regularly amended and extended--most recently in the Omnibus Budget Reconciliation Act (OBRA) of 1981 (P.L. 97-35) and technical amendments adopted in 1983 (P.L. 98-211). The appropriations level has risen from $959 million for the 1965-66 school year to $3.9 billion for 1987-88.

Chapter 1 (so named after its extension and amendment as chapter 1 of the ECIA of 1981) has always been a Federal program administered largely by State educational agencies, and conducted by local school districts (the basic grant program) or State agencies (the State agency programs for the handicapped, migrants, or the neglected and delinquent). States are provided with State administration grants (equal to the greater of one percent of the State chapter 1 grant, or $225,000 per State) to help them meet their program responsibilities.

The State and local agencies directly conducting chapter 1 projects have always been provided with numerous constraints, yet substantial discretion, in carrying out their responsibilities. In general, the constraints have been designed to assure that: (1) chapter 1 funds are used to assist only those eligible disadvantaged children who are most in need; (2) chapter 1 funds are used only to meet the special costs associated with providing supplementary services to educationally disadvantaged children, and do not replace regular program funds from State and local resources; and (3) programs provide for participation by eligible children attending non-public schools. Within these constraints, local and State agencies have been free to design chapter 1 projects as they choose, with full discretion over such matters as curricular strategy.

Although chapter 1 funds are authorized to be used at the preschool, elementary, and secondary school levels, the great majority of school systems have chosen to concentrate services on kindergarten and elementary pupils. The Department of Education (ED) estimates that 77 percent of children served are at the preschool through grade six levels, as school districts apparently have determined that limited funds (fewer than one-half of school districts, most of them small, report serving all eligible pupils) are most effectively applied under an "early intervention" educational strategy.

ED further estimates that 75 percent of chapter 1 funds are used for basic instructional services (the remainder for related services, administration, and minor construction), with 72 percent of chapter 1 participants receiving compensatory reading instruction, 42 percent receiving compensatory mathematics instruction, and 19 percent receiving compensatory "language arts" instruction. On average, chapter 1 participants receive four hours per week of special instruction. According to ED, approximately 5.3 million children were served by chapter 1 local programs in 1980-81, with this estimate falling to 4.8 million children in 1983-84. ED estimates that 51 percent of chapter 1 local program participants are white, 29 percent are black, and 16 percent are Hispanic. Finally, ED estimates that approximately 200,000 teachers and aides were paid with chapter 1 funds in 1979-80, with this number falling to 155,000 in 1983-84.

As indicated above, chapter 1 funds are allocated to the individual school level primarily on the basis of counts of children from low-income families, with the schools enrolling the highest numbers or percentages of such children to be served first. In practice, according to a 1978 National Institute of Education (NIE) study, approximately 68 percent of schools are deemed by local school districts to be eligible for chapter 1 projects, and 94 percent of these provide chapter 1 services to at least some children.

A BRIEF LEGISLATIVE HISTORY

The Federal program of grants for the education of disadvantaged children was initially authorized as title I of the Elementary and Secondary Education Act (ESEA) in 1965. In 1981, as part of the Omnibus Budget Reconciliation Act (OBRA), ESEA title I was amended, reauthorized, and renamed as chapter 1 of the Education Consolidation and Improvement Act (ECIA). This section provides a brief legislative history of the title I/chapter 1 program, from 1965 to the present. 2/ The focus of attention in this history is on major substantive amendments that were enacted, not on the legislative process or proposals that were not enacted.

In the initial and subsequent legislation for title I/chapter 1, there have been several recurring issues or themes. These have included: the formulas for establishing eligibility for, and allocation of, funds; various requirements for "fiscal accountability" to assure that funds are used to provide supplementary services to those pupils most in need; in the early years, addition of new State agency programs to serve special groups of disadvantaged pupils; authorization of various supplementary grant programs for areas with high concentrations of poor children or to match State "effort" in spending for education; plus Federal, State, and LEA administrative responsibilities.

The **Elementary and Secondary Education Act (ESEA) of 1965 (P.L. 89-10)** authorized in title I a program of Financial Assistance to Local Educational Agencies for the Education of Children of Low-Income Families. 3/ A 3-year

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2/ For a more condensed legislative history of the entire ESEA/ECIA, in outline form, see the Congressional Research Service report, The Elementary and Secondary Act: a condensed history of the original act and major amendments, by Wayne Riddle, Report No. 85-596 EPW, Feb. 28, 1985, 22 p.

3/ This program was initially authorized as both title I of the ESEA and as title II of P.L. 874, 81st Congress, impact aid to federally affected areas.

authorization was provided for grants to meet the special needs of educationally deprived children. Funds were to be allocated to and within local educational agencies (LEAs) primarily on the basis of counts of children in low-income families, but individual children were to be selected for services on the basis of educational disadvantage, without (direct) regard to income. Funds were to be allocated by the Federal Government at the county level (and by State education agencies to local educational agencies within counties) on the basis of a "cost factor" (50 percent of the State average per pupil expenditure (appe)) multiplied by the number of school-age (5-17 years) children in families with income below a "low-income level" set at $2,000 (according to the 1960 Census), plus those in families receiving Aid to Families with Dependent Children (AFDC) payments above $2,000. 4/ Special Incentive Grants (SIGs) were also authorized for fiscal years (FYs) 1967 and 1968 to LEAs wherein the average per pupil expenditure from non-Federal sources exceeded that for the previous year by five percent or more. Title I grants could not exceed 30 percent of an LEA's total revenues.

Other provisions of the original title I legislation required that services be provided on an equitable basis to educationally disadvantaged pupils attending non-public schools; required a maintenance of (fiscal) effort by State and local educational agencies wishing to continue receiving title I grants; and established a National Advisory Council on the Education of Disadvantaged Children (NACEDC). Local educational agencies were eligible to receive title I allocations only if the number of children from families with income below $2,000 was either 100 children or three percent of the total

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4/ These income thresholds were initially established for the first year of the program only.

school-age population, whichever was less (and in any case, at least ten children).

Later in 1965, **P.L. 89-313** amended title I to authorize a new program of grants to State agencies for the education of handicapped children. The initial legislation authorized only LEA grants. **The Elementary and Secondary Education Amendments of 1966 (P.L. 89-750)** added 2 more State agency programs to title I--those for migrant and for neglected or delinquent children. The "low-income" level used for determining child counts in the LEA grant allocation formula was continued at $2,000 for FY 1967 but raised to $3,000 for FY 1968. Neglected or delinquent children for whose education an LEA (as opposed to a State agency) was responsible were added to those counted in making LEA grants. The "cost factor" was modified to equal 50 percent of the greater of the State or National appe. The limitation on title I grants as a percentage of an LEA's total revenues was raised from 30 to 50 percent. The LEA eligibility threshold was changed to 10 children from low-income families and a grant of $2,500. The 1966 amendments to the ESEA also authorized the provision of title I basic grants to the Bureau of Indian Affairs (BIA) for educationally disadvantaged Indian children; and deleted the authorization for Special Incentive Grants.

The Elementary and Secondary Education Act Amendments of 1967 (P.L. 90-247) extended the appropriations authorization for title I through FY 1970. [5] The previously scheduled increase from $2,000 to $3,000 in the "low-income" level for determining allocation formula child counts was delayed until such time as maximum authorized payments at the lower income level had been appropriated. 6/ Grants for State administration of title I, originally set at the greater of one percent of LEA basic grants or $75,000, were increased to the greater of one percent of total title I (LEA and State agency) grants or $150,000. It was provided that in years when all title I authorizations were not fully funded, payments must first be made at the maximum authorized level for the State agency programs, with remaining funds to be available for LEA grants.

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[5] At this point, the technical designation of ESEA title I as title II of P.L. 874, 81st Congress, was deleted.

P.L. 90-247 also authorized a new title I State Incentive Grant program of grants to LEAs in States wherein an "effort index"--based on the ratio of non-Federal expenditures for public elementary and secondary education to personal income--exceeded the National average. Studies were mandated of the effectiveness of compensatory education, of the impact on LEAs of children in Federally-subsidized public housing projects, and of methods to obtain data necessary for LEA grant allocations more recent than that from the 1960 Census. Finally, the "1967" amendments to the ESEA authorized continuing assistance to individual migrant children, under the title I State agency program, for up to five years after children were no longer actively migratory (previously, only currently migratory children were eligible to be served).

The Elementary and Secondary Education Amendments of 1970 (P.L. 91-230) extended title I's appropriations authorization through FY 1973. As had occurred in earlier amendments, it was provided that the "low-income" level--below which children would be counted in the allocation formula--be raised from $2,000 to $3,000 for FY 1972 and $4,000 thereafter. However, as before, these increases were to occur only after sufficient funds were appropriated to make maximum

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6/ Thus, payments based on children from families with income below $3,000 would be made only after all authorized payments based on children from families with income below $2,000 were made. In practice, payments based on the lower income level were not fully funded, and the effective low-income level for the title I basic grant allocation formula remained at $2,000 until the formula was revised in 1974 (P.L. 93-380).

payments based on child counts at the $2,000 income level, and this prerequisite was never met. Also authorized was a new part C--Special Grants for Urban and Rural Schools in Areas with High Concentrations of Disadvantaged Students. Under the new authority, additional title I grants would be made to LEAs where the number of children counted in the regular allocation formula constituted either 20 percent of the total school-age population, or 5,000 children (and at least five percent of the total school-age population). The existing part B, State Incentive Grants, was also extended.

The 1970 amendments added to title I the requirements that title I funds be used to supplement, not supplant, funds that would otherwise be available from non-Federal sources; and that services provided to title I participants from non-Federal revenues be comparable to those provided to similar pupils not served by title I. These provisions, in addition to the previous maintenance of effort requirement, were intended to assure that title I funds were used specifically to increase the level of educational spending on behalf of eligible disadvantaged children. A study of the LEA basic grant allocation formula was mandated. LEAs were required to make available to the public all applications, evaluations, and reports related to title I programs conducted by them. Finally, the use of title I funds for salary bonuses to teachers in title I programs was authorized.

Although they were focused primarily on postsecondary education, the **Education Amendments of 1972 (P.L. 92-318)** contained two amendments to title I. Youths incarcerated in adult correctional institutions were added to those eligible to be served under the State agency program for the neglected and delinquent. Also, a study of the title I State agency program for migrant children was authorized.

Of great significance in the history of title I were two major pieces of legislation enacted later in the 1970s, the first of which was the **Education Amendments of 1974 (P.L. 93-380)**. This legislation, which extended title I's authorization through FY 1978, was accompanied by extensive debate over all aspects of the program, particularly the LEA basic grant allocation formula. There was wide interest in modifying the formula because of the substantial redistributive effects of retaining the $2,000 "low-income" level but switching from 1960 to 1970 Census data when they became available. As a result of a large reduction in the number of children in families with income below $2,000 according to the 1970 Census, compared to the 1960 Census data previously used, and annual increases in the number of children in families with AFDC payments above the $2,000 level, the AFDC children became the dominant population in the allocation formula. In response to the resulting shifts in allocation eligibility, which favored States with large participation in and relatively high payments under the AFDC program, a wide range of alternative allocation formulas was considered during House and Senate Committee consideration and floor debate on the 1974 amendments. In the final legislation, the "cost factor" was changed from 50 percent of the greater of State or National average per pupil expenditure (appe) to 40 percent of the State appe, with limits of 80 and 120 percent of the National appe. 7/ The population factor was changed from children in families with income below $2,000, plus those in families receiving AFDC payments above $2,000, plus certain neglected and delinquent children to children in poverty families (applying the definition of poverty used by the Census Bureau in compiling the 1970 Census), plus two-thirds of children in families receiving AFDC payments above the poverty level (for a non-farm family

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7/ Hence, if the State appe was less than 80 percent (more than 120 percent) of the National average, it was set at 80 (120) percent of the National average in the title I allocation formula.

of four), plus certain neglected and delinquent children. An LEA allocation "hold harmless" was continued at 85 percent of the previous year's allocation, with a separate authorization (which had to be separately funded to take effect) of $15.7 million per year to fund a 90 percent "hold harmless." A 100 percent "hold harmless," along with a continued funding priority when title I is not fully funded, was provided for the State agency programs.

Part C ("concentration") grants were authorized only through FY 1975, with a change in the allocation formula. For this program only, the "low-income" factor for determining child counts was to be $3,000, and LEAs were to be eligible for part C grants if their number of formula-eligible children exceeded either 10,000 children (and constituted at least five percent of all school-age children in the LEA) or were twice the average number of formula eligible children for LEAs in the State. The title I "fiscal accountability" provisions (i.e., maintenance of effort, comparability, supplement-not supplant) were supplemented by a requirement that title I funds were to be used only for the excess costs of meeting the special educational needs of disadvantaged children. School- and LEA-level parental advisory councils were specifically mandated for the first time. These amendments authorized the use of up to 0.5 percent of title I appropriations for evaluation and studies, while mandating three specific studies: a comprehensive study of compensatory education policies, practices, and effectiveness by the NIE (the findings of which significantly influenced the 1978 amendments to title I); a study of the measure of poverty used in the LEA basic grant allocation formula; and a Survey of Income and Education (SIE) to be conducted by the Secretary of Commerce (portions of the results of which were incorporated into the LEA basic grant allocation formula in the 1978 amendments).

Finally, the 1974 amendments supplemented the provisions for participation in title I by pupils attending non-public schools by authorizing the provision of services to such pupils via a "by-pass" mechanism. Under the "by-pass" arrangement, if an LEA were unable (e.g., due to State constitutional prohibitions), or had otherwise failed, to provide title I services to non-public school pupils on an equitable basis, the Commissioner (now Secretary) of Education would directly arrange for the provision of such services through a third-party organization, with the required funds being subtracted from the LEA's title I allocation. This "by-pass" arrangement has been used primarily in LEAs in the States of Missouri and Virginia.

Title I of the ESEA was again extensively revised by the **Education Amendments of 1978 (P.L. 95-561)**, which extended the appropriations authorization through FY 1983 (although this authorization was replaced by that for chapter 1 before that date). Again, the title I LEA basic grant allocation formula was modified, but less substantially (and with somewhat less debate) than in the 1974 amendments. In the resulting allocation formula, all children--not just two-thirds--in families receiving AFDC payments above the poverty level (for a non-farm family of 4) would be counted. In addition, this formula would apply only to a portion of LEA basic grant appropriations--an amount equal to the basic grant appropriation for FY 1979 plus one-half of appropriations above this level. The remainder of basic grant appropriations (one-half of the increase over the FY 1979 level) would be allocated to States on the basis of the "cost factor" multiplied by the number of children in families with income below the median income for 4-person families, according to the 1976 SIE (see reference under the 1974 amendments). The cost factor provisions were unchanged. Other allocation formula amendments reduced the "hold harmless" level from 100 to 85 percent of previous year allocations for the State agency programs (although application of this to the migrant program was to be delayed until FY 1983); and the authorization for State administration grants was raised from the greater of one percent of (total) title I grants or $150,000 to the greater of 1.5 percent or $225,000.

As had occurred frequently in the past, supplementary programs of grants to LEAs displaying relatively high levels of expenditure "effort," or "concentration" of title I formula-eligible children, were authorized in P.L. 95-561. The new program based on "effort" took the form of State Incentive Grants to match up to 50 percent of expenditures under State compensatory education programs similar to title I. The "concentration" grant program, Grants to Local Educational Agencies in Counties with Especially High Concentrations of Children from Low Income Families, authorized grants to LEAs in counties with either 5,000 formula-eligible children or where such children constituted at least 20 percent of the total school-age population. Under the "concentration" grant program, only the number of children in a county above the relevant threshold (whichever threshold was lower for the county) are to be counted in making allocations, which assures that most funds would go to large urban areas; and there is a 0.25 percent State minimum grant. 8/ As with previous such authorizations, these two programs have not been consistently funded--although both are still authorized, no appropriations have ever been provided for State Incentive Grants, while the "concentration" grant program was last funded for program year 1981-82.

The title I administrative requirements--e.g., program monitoring, enforcement of regulations, requirements for program design and implementation, and limited exemption from certain requirements--were rewritten in the 1978

8/ Hence, the total of concentration grants to all counties in each State must be at least 0.25 percent of the National total appropriation.

amendments. In many cases, modified versions of provisions previously contained in program regulations were incorporated into the title I statute. Supplementary authorities were added to two of the State agency programs: grants for coordination of migrant education services, and grants for transition services for the neglected and delinquent. As had often been the case in the past, a study was mandated--in this case, a study of alternative ways for LEAs to demonstrate compliance with the comparability requirement. Finally, it was mandated that population data required for making LEA basic grants be compiled on an LEA basis, rather than being available only at the county level. 9/

Title I as rewritten in the Education Amendments of 1978 represented the final evolution of the legislation as it had developed since its origination in 1965. It was by this time somewhat lengthy, 10/ and contained relatively detailed provisions--including many that had previously appeared in regulations--regarding such topics as fiscal accountability, parental involvement, State and LEA administrative responsibilities, etc. To its defenders, the 1978 version of title I was a refined, comprehensive form of legislation that had evolved in response to problems encountered and lessons learned in the previous history of the program. Further, it might be argued that this legislation clearly

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9/ The title I/chapter 1 legislation has always provided that grants be made by the Federal Government on an LEA basis, unless satisfactory data (i.e., official data that are reliable and comparable) for this purpose are unavailable. Since LEAs are not among the levels of geographic aggregation at which the Census Bureau provides decennial Census population data--such as States or counties--such satisfactory data had not been available from the 1960 or the 1970 Census, and grants have been made by the Federal Government at the county level, with intra-State allocation to LEAs carried out by State education agencies. In response to the mandate in the Education Amendments of 1978, a data file of the 1980 Census population data by LEA was prepared, but has not been used to make chapter 1 allocations, possibly due to certain technical problems with the file.

10/ Title I was 53 pages long as printed in the 1980 edition of "A Compilation Of Federal Education Laws", published by the House Committee on Education and Labor.

communicated legislative intent to both the U.S. Office (now Department) of Education and State/local educational agencies regarding how the program should be conducted, while States and LEAs remained largely free of Federal direction in their choice of instructional strategies ("how to teach"), and retained almost complete discretion over curriculum ("what to teach"). In contrast, critics of title I as it had evolved through 1978 argued, during consideration of the Education Consolidation and Improvement Act in 1981, that title I had become a cumbersome piece of legislation--that it was too long, too detailed, too inflexible, and that it stifled creativity and initiative on the part of local educators. Further, it was argued that the degree of detailed requirements in title I reflected an inappropriate level of distrust in the ability and willingness of local program administrators to properly use title I funds and to find the best means of serving educationally disadvantaged children. While there was little public debate over these issues in the 1978-80 period, and seemingly little likelihood of a reconsideration of the title I legislation before the authorization termination date of FY 1983, those who thought title I unduly restrictive found an opportunity to change the legislation during Congressional consideration of the aptly-named Omnibus Budget Reconciliation Act of 1981.

The **Education Consolidation and Improvement Act (ECIA) of 1981 (title V, P.L. 97-35)** replaced ESEA title I with a new program--chapter 1 of the ECIA--with the same general purpose as title I but with substantially modified form and requirements. The allocation formulas for all title I LEA and State agency programs remained the same, and the program was authorized through FY 1987, but limits were placed on both the aggregate authorization level and the proportion thereof that could be used for several of the specific programs for fiscal years 1982-84.

In general, chapter 1 maintained the "categorical"--i.e., focused on meeting the needs of a specified population (as opposed to a block grant)--nature of the title I program. This was in contrast to the Reagan Administration's 1981 proposal to consolidate title I with almost all other Federal elementary and secondary education programs into a single grant to be used at State/local discretion. However, most of title I's provisions regarding fiscal accountability, program administration and implementation were simplified or otherwise modified. For example, the maintenance of effort requirement was reduced from 100 to 90 percent of the previous year's non-Federal expenditure level; requirements for parental advisory councils were replaced with less specific requirements for parental consultation; most of title I's detailed State/local administration provisions were removed; the limited number of requirements or recommendations regarding program implementation were deleted; while several provisions of title I that explicitly authorized certain forms of flexibility (e.g., school-wide projects--allowing the use of title I funds to serve all pupils in a target school, not just those who are the most disadvantaged--in areas where 75 percent or more of the pupils were from poor families) were also deleted. The sponsors of the chapter 1 legislation stated that it was intended to free State/local program administrators from overly-detailed or unnecessary administrative constraints and burdens, allowing them to apply greater initiative and creativity to the implementation of programs. In contrast, critics of the transformation of title I to chapter 1 stated that many legislative refinements designed to effectively focus assistance on the children intended to be served, and to provide explicit authority and guidance on the conduct of programs, had been removed.

Some critics also argued that chapter 1 was "a solution looking for a problem"--i.e., that those charged with implementing the program had generally expressed few complaints about administrative "burdens" under title I. Finally, some early critics of chapter 1 argued that the lack of explicit authority and guidance in the legislation and its regulations was as likely to result in confusion and uncertainty regarding the ways in which LEAs were authorized to conduct programs as to lead to creative innovation.

At least partially in response to some of the above criticisms, the **Education Consolidation and Improvement Act Technical Amendments Act of 1983 (P.L. 98-211)** clarified certain chapter 1 provisions and restored explicit authority for certain forms of flexibility (e.g., school-wide projects) in conducting chapter 1 programs that had been authorized in title I. This Act required continued use of the existing eligibility standards for participation and fund allocation under the chapter 1 State agency program for migrant children. P.L. 98-211 also contained a mandate for a National Assessment of Chapter 1, to be conducted by NIE (now the Office of Educational Research and Improvement (OERI)), and to be completed by January 1, 1987.

ALLOCATION FORMULA AND PROCESS

Three formulas, which are intended to be as similar as possible but which might be at least marginally different, are used to allocate chapter 1 funds from the Federal Government to individual target school attendance areas. The first is used by the Federal Government to distribute grants to the county level. 11/ Next, State education agencies sub-allocate the county aggregates

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11/ The primary reason that Federal grants are not made directly to LEAs is the lack of appropriate data for all LEAs. It was required in the Education Amendments of 1978, P.L. 95-561, that data needed for title I/chapter 1 allocations be prepared on an LEA basis from the 1980 census. Such a data file was prepared, but has not been considered to be sufficiently accurate for use in allocating funds at the National level. For a more detailed discussion of this issue, see U.S. Library of Congress. Congressional Research Service. Availability of Data from the 1980 Census by Local Educational Agency. Report by Wayne Riddle, Nov. 5, 1984. Washington, 1984.

to LEAs using available data similar to the Federal formula. Finally, LEAs distribute chapter 1 funds to target school attendance zones using a relatively wide variety of data on children in low-income families that are available to them--for example, Census poverty data, counts of children receiving free and/or reduced price school lunches, or total counts of children in families receiving AFDC payments. The LEA formula must be approved by the State education agency. While the formulas used at each level may be somewhat different, they share the following characteristics:

--they are all based primarily on measures of low income; and

--they are separate from measures used to determine the eligibility of individual pupils to be served under the program--i.e., there is no direct connection between being counted for formula allocation purposes and being eligible for, or actually receiving, services.

At the Federal level, two different formulas are used to allocate chapter 1 funds to the county level. The first formula is used to allocate an amount equal to the fiscal year FY 1979 appropriation--of $2,329,030,652--plus one-half of any appropriations above this level. The second formula is used to allocate the other one-half of appropriations in excess of the FY 1979 level.

Under the first formula, county allocations are based on the county share of the national total of the formula eligible population multiplied by a cost factor. The cost factor is equal to the State average per pupil expenditure (appe) for public elementary and secondary education for the third preceding year, constrained to be no more than 120 percent or less than 80 percent of the National average. 12/ This appe is then multiplied by 40 percent to reach the final cost factor.

12/ The appe is slightly modified, mainly by subtracting funds received under certain Federal aid programs. In addition, for Puerto Rico the minimum appe is further reduced--it is multiplied by the ratio of the Puerto Rico appe divided by the lowest appe for any of the States.

The first formula's eligible population are children aged 5-17 years in the following groups:

- —in poverty families, according to the 1980 Census (but using 1970 Census poverty criteria); [13]
- —in families receiving AFDC payments in excess of the poverty level for a non-farm family of four (annually updated); and
- —in foster homes or institutions for the neglected or delinquent for whose education LEAs (as opposed to State agencies) are responsible.

The second formula referred to above uses the same cost factor as does the first formula, but the formula eligible child count is of children in families with income below 50 percent of the National median income for a family of four, according to the 1976 Survey of Income and Education (SIE) conducted by the Census Bureau. Since the SIE data are available only on a State level, the county data from the first formula are used for sub-State allocation. [14] A "hold harmless" provision is applied to the total basic grant (i.e., the sum of the first and second formula grants), at both the county and LEA levels. The grant may not be less than 85 percent of the previous year level. Current (program year 1986-87) data on the number of children in each of the above categories are listed below:

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[13] The use of poverty criteria (not counts of children) from the 1970 Census is required by the legislation. The difference in poverty criteria is not related to price levels—in both cases the poverty income thresholds have been raised to take into account increases in consumer prices between 1970 and 1980—but rather to the number of different thresholds or categories for families with male vs. female heads, farm vs. non-farm residence, and number of family members. In each case, the 1970 criteria maintain a larger number of different poverty income thresholds for families of different types—in particular, lower thresholds for farm and female-headed families. Thus, all else being equal, farm and female-headed families are more likely to be considered to be in poverty under the 1980 than 1970 Census poverty criteria, because higher poverty income thresholds are applied to such families under combined thresholds than when they were considered separately. For a more thorough discussion of this topic, see U.S. Library of Congress. Congressional Research Service. Impact on Allocations Under Chapter 1 of the Education Consolidation and Improvement Act Due to Changes in the Procedures Used to Calculate Poverty Statistics. Report by Bob Lyke, Washington, 1983.

[14] Thus, State aggregate allocations under the SIE-based formula are distributed to counties and LEAs within each State in proportion to county/LEA share of the State total of allocations under the first formula. In recent years, the Administration has on several occasions proposed that the chapter 1 formula be revised to remove the portion based on SIE data and use 1980 poverty criteria in determining counts of children in poverty families. Thus far, the Congress has not agreed to these proposals.

Table 1. Number of Children in Each of the Categories Used for Allocation Formula Eligibility Under the Basic Grant Program of Chapter 1, ECIA, Program Year 1986-87

Category	Number of children
A. First formula	
Children in poverty families, 1980 Census (1970 Census poverty criteria)	7,669,003
Children in families receiving AFDC payments above the poverty level for a non-farm family of four	120,966
Children in foster homes	152,729
Children in institutions for the delinquent	19,034
Children in institutions for the neglected	42,638
(Total first formula children	8,004,370)
B. Second formula	
Children in families with income below 50 percent of the national median for four-person families, 1976 Survey of Income and Education	11,028,378

The State education agencies distribute county aggregate allocations to LEAs, using available data similar (but not always identical) to the first National formula described above. Variances from the National formula must be approved by the ED, and have apparently been relatively limited in recent years. States also may apply to modify county aggregates to account for LEA boundaries that are not coterminous with county borders (i.e., where a single LEA is located in 2 or more counties). The main reason that the ED does not directly allocate funds to LEAs is that appropriate data have not been available for all school districts (see footnote 9).

Finally, LEAs select target school attendance zones to conduct chapter 1 programs on the basis of data related to low family income, [15] which must be approved by the State education agency. In some cases, the formulas resemble the National formula; more often they are substantially different, reflecting substantial limitations on the availability of data for small geographic areas. Data frequently used at this level include counts of children receiving free and reduced price school lunches, or counts of children participating in the AFDC program.

PROGRAM FUNDING HISTORY

The following tables and graphs shows total ESEA title I/ECIA chapter 1 appropriations and outlays, both the total program and LEA grants only, from fiscal year FY 1966 to the present, with the percentage change from the previous year in both current and estimated constant dollar terms.

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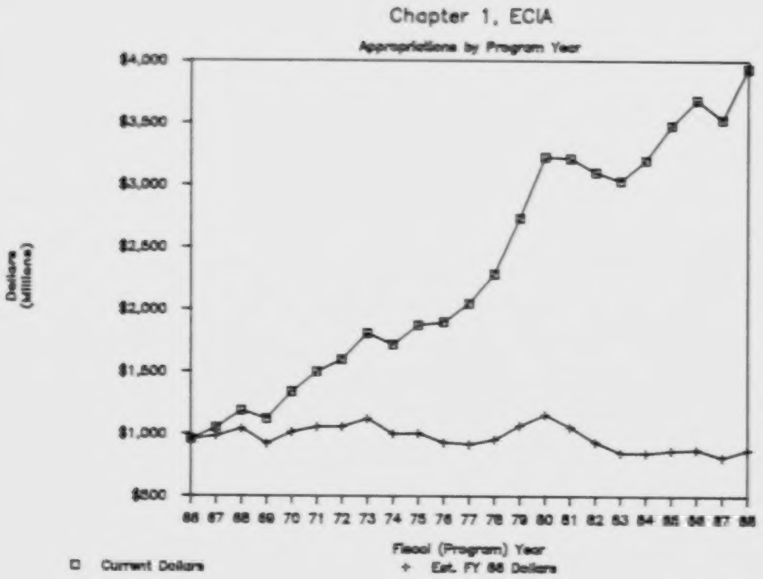
[15] A limited exception to this rule is authorized in chapter 1, section 556(d)(2), under which an LEA "may, with the approval of the State education agency, designate as eligible (and serve) school attendance areas with substantially higher numbers or percentages of educationally deprived children before school attendance areas with higher concentrations of children from low-income families, but this provision shall not permit the provision of services to more school attendance areas than could otherwise be served."

Aid For The Education Of Disadvantaged Children, Title I Of The Elementary And Secondary Education Act Of 1965/ Chapter 1 Of The Education Consolidation And Improvement Act Of 1981: Appropriations History For Fiscal Years 1966-1987, In Current And Estimated Constant Dollars
Also In Terms Of Both Appropriations (Budget Authority) And Outlays

Fiscal Year	Title I/Chapter 1 Appropriation (in thousands of current dollars)	Percentage Change From Previous Year (current dollars)	Percentage Change From Previous Year (constant dollars)	Title I/Chapter 1 Outlays (in thousands of current dollars) 1/	Percentage Change From Previous Year (current dollars)	Percentage Change From Previous Year (constant dollars)
1966	$959,000			$965,100		
1967	$1,053,410	9.9%	2.9%	$1,364,400	41.4%	42.0%
1968	$1,191,000	13.1%	6.6%	$1,454,500	6.6%	-3.1%
1969	$1,123,127	-5.7%	-11.7%	$1,427,100	-1.9%	-8.2%
1970	$1,339,051	19.2%	10.3%	$1,469,300	3.0%	-6.7%
1971	$1,500,000	12.0%	6.0%	$1,797,900	22.3%	13.6%
1972	$1,597,500	6.5%	1.2%	$1,882,999	4.7%	-1.4%
1973	$1,810,000	13.3%	5.9%	$1,819,100	-3.4%	-9.7%
1974	$1,719,500	-5.0%	-10.0%	$1,615,500	-11.2%	-16.6%
1975 (for 1975)	$1,876,000	9.1%	0.6%	$2,183,600	35.2%	24.6%
1975 (for 1976)	$1,900,000	1.3%	-7.6%	$2,157,800	-1.2%	-12.0%
(Transition Quarter)	na	na	na	($647,000)	na	na
1976 (for 1977)	$2,050,000	7.9%	-1.1%	$2,224,900	3.1%	-3.3%
1977 (for 1978)	$2,285,000	11.5%	4.2%	$2,666,000	19.8%	12.8%
1978 (for 1979)	$2,735,000	19.7%	11.7%	$2,965,300	11.2%	3.0%
1979 (for 1980)	$3,228,782	18.0%	8.1%	$3,370,200	13.7%	0.1%
1980 (for 1981)	$3,215,593	-0.4%	-8.8%	$3,345,600	-0.7%	-9.1%
1981 (for 1982)	$3,104,317	-3.5%	-11.4%	$2,939,100	-12.1%	-19.4%
1982 (for 1983)	$3,033,969	-2.3%	-8.9%	$2,629,200	-10.5%	-16.6%
1983 (for 1984)	$3,200,394	5.5%	-0.3%	$3,066,600	16.6%	10.2%
1984 (for 1985)	$3,480,000	8.7%	2.4%	$4,194,700	36.8%	20.0%
1985 (for 1986)	$3,688,163	6.0%	5.9%	$2,939,500 est.	-29.9%	-33.7%
1986 (for 1987)	$3,529,572	-4.3%	-7.0%	na	na	na
1987 (for 1988)	$3,944,163	11.7%	7.2%	na	na	na
Net change, 1966 to most recent year		311.3%	-0.6%		204.6%	-0.4%

1/ Source: Historical Tables, Budget Of The United States Government, Fiscal Year 1987, table 12.3. Note that the data in this report are in millions of dollars, and have been extrapolated to thousands in this table for comparability with the appropriations data in column 1.

Note: The price index used is the (fixed-weight) deflator for State and local government purchases of services, received from the Bureau of Economic Analysis, Department of Commerce, on Aug. 19,1986. For fiscal year 1986, the index is based on data for the first 3 quarters of the year only. Also, for fiscal years 1987 and 1988, price index numbers are


Chapter 1, ECIA
Appropriations by Program Year
Dollars (Millions)
$4,000
$3,500
$3,000
$2,500
$2,000
$1,500
$1,000
$500
66
67
68
69
70
71
72
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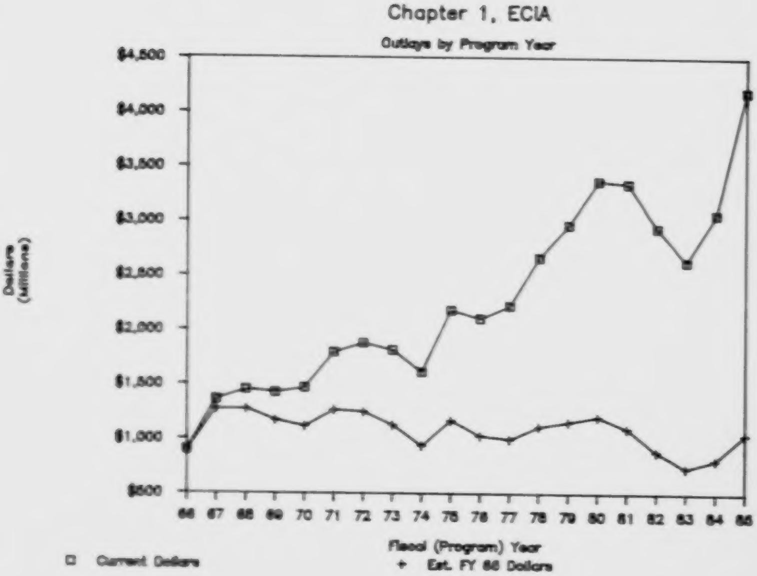
Fiscal (Program) Year
□ Current Dollars
+ Est. FY 88 Dollars


Chapter 1, ECIA
Outlays by Program Year
Dollars (Millions)
$4,500
$4,000
$3,500
$3,000
$2,500
$2,000
$1,500
$1,000
$500
66
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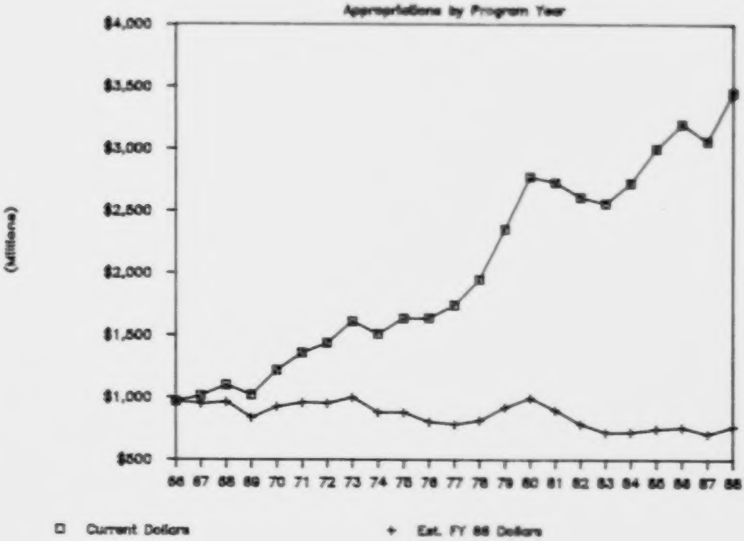
86
Fiscal (Program) Year
□ Current Dollars
+ Est. FY 86 Dollars

Grants To Local Educational Agencies Under Title I Of The Elementary And Secondary Education Act Of 1965/ Chapter 1 Of The Education Consolidation And Improvement Act Of 1981 Appropriations History For Fiscal Years 1966-1987, In Current And Estimated Constant Dollars, But In Terms Of Appropriations (Budget Authority) Only

Fiscal Year	Title I/Chapter 1 LEA Grant Appropriation (in thousands of current dollars)	Percentage Change From Previous Year (current dollars)	Percentage Change From Previous Year (constant dollars)
1966	$969,835		
1967	$1,015,153	4.7%	-2.0%
1968	$1,100,288	8.4%	1.6%
1969	$1,020,436	-7.3%	-13.2%
1970	$1,219,166	19.5%	10.5%
1971	$1,361,281	11.7%	3.6%
1972	$1,438,367	5.7%	-0.5%
1973	$1,614,238	12.2%	4.9%
1974	$1,511,247	-6.4%	-12.1%
1975 (for 1975)	$1,638,793	8.4%	-0.1%
1975 (for 1976)	$1,641,801	0.2%	-6.6%
1976 (for 1977)	$1,745,494	6.3%	-2.6%
1977 (for 1978)	$1,951,251	11.8%	4.5%
1978 (for 1979)	$2,356,708	20.7%	12.7%
1979 (for 1980)	$2,778,578	17.9%	8.0%
1980 (for 1981)	$2,731,651	-1.7%	-9.9%
1981 (for 1982)	$2,611,387	-4.4%	-12.3%
1982 (for 1983)	$2,562,753	-1.9%	-8.5%
1983 (for 1984)	$2,727,588	6.4%	0.6%
1984 (for 1985)	$3,003,680	10.1%	3.7%
1985 (for 1986)	$3,200,000	6.5%	1.5%
1986 (for 1987)	$3,062,400	-4.3%	-7.0%
1987 (for 1988)	$3,453,500	12.8%	8.3%
Net change, 1966 to 1987 (for 1988)		256.1%	-20.8%

Note: The price index used is the (fixed-weight) deflator for State and local government purchases of services, received from the Bureau of Economic Analysis, Department of Commerce, on Aug. 19, 1986. For fiscal year 1986, the index is based on data for the first 3 quarters of the year only. Also, for fiscal years 1987 and 1988, price index numbers are estimated on the basis of Congressional Budget Office projections of the rate of increase in the overall Gross National Product deflator (published in Aug. 1986).

Also, note that the appropriations figures include all title I/chapter 1 programs of grants to LEAs, including special, incentive, and/or concentration grants for fiscal years 1971-78 and 1981-82.



ECIA Chapter 1, LEA Grants

Appropriations by Program Year

The *first table* provides both appropriations and outlays 16/ for ESEA title I/ECIA chapter 1 *overall*, while the *second table* has appropriations only for the title I/chapter 1 *LEA grant* (basic plus special grant) programs. The tables display funding levels for each year, and the percentage change in the relevant funding amount compared to the previous year in both current and estimated constant dollars. In contrast, a separate graph is provided for each of the following: chapter 1 (total) appropriations, chapter 1 (total) outlays, and chapter 1 LEA grant appropriations. The graphs display funding levels in both current and estimated constant dollars.

The general pattern reflected in each of these tables and graphs is of funding levels that have risen overall in current dollars, but declined in estimated constant dollars, from FY 1966 to the present. From all three perspectives, the current dollar funding increase has not been continuous, but reached relative peaks in FY 1972-73, FY 1980, and the most recent available year. In estimated constant dollars, the relative peak years occur at approximately the same points, but there is a decline in the funding levels over the entire period.

A final general pattern in these data is that current dollar funding has risen less, and estimated constant dollar funding has decreased more, for chapter 1 LEA grants than for chapter 1 overall. While total chapter 1 appropriations fell an estimated 7.3 percent from FY 1966-1987 in constant dollars, LEA grant appropriations decreased an estimated 20.8 percent in constant dollars over this period. This has resulted from an overall increase in the share of title I/chapter 1 appropriations devoted to the State agency programs. However,

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16/ Note: On the first table, the "Transition Quarter" refers to the period of July 1-Sept. 30, 1976, that was in no fiscal year as a result of the shift in the Federal fiscal year from a July 1-June 30 to Oct. 1-Sept. 30 basis.

that share has declined in the most recent period of FY 1982-1987, as State agency program appropriations have generally been "frozen" (in current dollar terms) while LEA grant appropriations have been increased.

PARTICIPATION LEVEL AND TRENDS

Although the title I/chapter 1 program was first implemented in the 1965-66 school year, consistently defined data on participation have been available only for program years beginning with 1979-80. This was the first year of implementation of the "Title I Evaluation and Reporting System" TIERS, that was mandated originally in the Education Amendments of 1974 (P.L. 93-380). The TIERS system was intended to collect comparable data on a nationwide basis on title I/chapter 1 participation and impact on academic achievement of the pupils served. Estimates of participation were prepared for earlier years, but were marred by inconsistency in counting rules and probable duplication of pupil counts in several cases (e.g., counting a pupil twice if he/she received compensatory reading and mathematics instruction).

The title I/chapter 1 basic grant participation data for program years 1979-80 through 1983-84 (the latest currently available) are shown in the following table.

ESEA Title I/ECIA Chapter 1: Basic LEA Grant Participation,
According to TIERS Reports, 1979-80 Through 1983-84

Program year	Reported participation level
1979-80	5,402,311
1980-81	5,301,488
1981-82	4,866,108
1982-83	4,731,351
1983-84	4,846,050
Percentage change, 1979-80 to 1983-84	-10.3%

Source: Synthesis of State Chapter 1 Data, Summary Report by Michael A. Carpenter and Patricia A. Hopper, Advanced Technology, Inc., Sept. 1985, p. 3.

According to these data, chapter 1 basic grant program participation declined substantially between 1979-80 and 1981-82 (-9.9 percent), and remained relatively stable between 1981-82 and 1983-84 (-0.4 percent). The primary hypotheses that have been offered to explain this reduction in participating pupils are that the reductions resulted from: (a) an overall reduction in the population of school-age children; and/or (b) a reduction in the "real" (i.e., adjusted for price changes) chapter 1 basic grant funding level. While the number of school-age (5-17 years) children did decline over this period, the size of the reduction (6.6 percent) between 1980 and 1984 is less than the percentage reduction in chapter 1 participation between 1979-80 and 1983-84 (10.3 percent). The estimated "real" level of chapter 1 appropriations also fell over this period, by 27 percent.

SYNTHESIS OF EVALUATION FINDINGS

There have been hundreds of local and national evaluations of title I/chapter 1 programs, because of the large size of this program, because it has included requirements since its initiation for State and local evaluation, because of widespread optimism at the time of title I's enactment about the impact it would have, and because of consistent interest by a large number of educational researchers in the relationship between income and educational achievement. Although it would be impossible to summarize the findings of every study, two primary studies will be specifically referred to, the Sustaining Effects Study (SES), conducted from 1976-1983 by the System Development Corporation for the ED; and the congressionally mandated study of compensatory education conducted by the former NIE between 1976-78. The Office of Educational Research and Improvement (OERI) is currently undertaking another major congressionally mandated study of chapter 1, but only interim findings of this study are currently available.

This section is organized on the basis of two basic questions about the chapter 1 LEA grant program that evaluations have been expected to answer: (1) is the target population being served?; and (2) are the program objectives being met?

A. Is the Target Population Being Served?

There has always been some uncertainty regarding the precise nature of the target population intended to be served by this program. The statute's "statement of purpose" provides both that the program is to assist LEAs in meeting the "special educational needs of educationally deprived children," and that "the Congress recognizes the special educational needs of children of low-income families, and that concentrations of such children in local educational agencies adversely affect their ability to provide educational programs which will meet the needs of such children" (sec. 552, ECIA). In addition, the program's fund allocation formula is based primarily on factors related to children in low-income families, while the ultimate process of selecting participants in target school attendance areas is intended to consider only the educational, not the economic, characteristics of the children. This degree of ambiguity may be seen as reflecting either a legislative compromise--between those favoring a focus solely on educational disadvantage and those preferring one solely on low family income--or an assumption that in practice the two targets are not contradictory (i.e., that there is a high correlation between educational disadvantage and low family income). Most studies indicate that while the correlation between poverty income levels and low pupil achievement is relatively low for individual pupils (0.30, according to the SES), it is considerably higher when considering concentrations of pupils with these characteristics in school attendance areas as a whole (0.67, according to the SES). Whatever the cause, this uncertainty makes it necessary to evaluate chapter 1's success in directing funds and services to those intended to be served in terms of both educational disadvantage and low income.

According to the SES, on the basis of a sample of 329 elementary schools and approximately 120,000 pupils, an estimated 40 percent of children in poverty families, and 21 percent of those in non-poverty families, received chapter 1 services. Since there are many more non-poverty than poverty families, this translated to 1.2 million children in poverty families and 1.7 million children in non-poverty families. Thus, even though children in poverty families are twice as likely to be served by chapter 1, there were found to be more non-poverty than poverty participants. In terms of geographic areas rather than individuals, both the SES and the 1978 NIE study found chapter 1 allocations to LEAs to be highly correlated with the number of children in low-income or poverty families, with the largest proportions of funds directed to central cities and rural areas with large low-income populations. The NIE found that, as a result, chapter 1 has greater fiscally redistributive effects than other Federal elementary and secondary education aid programs.

In terms of academic achievement, the SES found the following proportions of pupils to participate in chapter 1 among all those in each of the four quartiles of general achievement level:

Achievement quartile	Percentage of pupils participating in chapter 1
1 (lowest)	32%
2	19%
3	7%
4 (highest)	2%

Therefore, while some chapter 1 participants could be found among even relatively high achievers, the likelihood of participation was determined to be closely related to low achievement, with approximately 85 percent of participants at below average achievement levels.

As the data above indicate, chapter 1 funds have been concentrated on poor and/or low-achieving children, but the target efficiency (proportion of the target population who are served) has been less than 100 percent whether measured in terms of either poverty or achievement. This is likely to be primarily the result of the unresolved "dual goals" of the program. With the correlation between poverty income and low achievement less than perfect, especially at the individual level, services focused on one group (poverty children or low achievers) are likely to include some children not in the other target population (i.e., a group of poverty children will likely include some above average achievers; or a group of low achievers will likely include some children from non-poverty families). While the legislation intends to resolve this situation--by a focus on poverty measures in allocating funds to schools, then a consideration of achievement measures within schools--in practice some confusion of goals is probable.

A secondary factor is likely to be the allocation formula, particularly the cost factor which grants more funds per poverty child to LEAs in some States (those with high expenditure levels) than others. To the extent that the cost factor does not actually reflect differing costs to purchase the same educational services in different localities, then LEAs may be able to serve pupils of differing achievement levels while still obeying the requirement to serve those most in need. Also, if the average level of pupil achievement in project schools differs systematically among LEAs, then LEAs may serve those most in need in those schools while still serving pupils of very different achievement levels. The authority of LEAs to focus services on specific grades or subject areas may amplify this effect, by resulting in the provision of services to relatively large proportions of disadvantaged pupils in some grade levels or subjects but relatively few--or no--pupils in others. 17/

B. Are the Program Objectives Being Met?

Three possible primary goals of chapter 1 may be described as--

(1) enhancing the educational opportunities, through educational and related services, of children in low-income families;

(2) raising the academic achievement level of educationally disadvantaged children; or

(3) providing financial aid to LEAs enrolling large numbers or proportions of children in low-income families.

17/ For example, if an LEA decides to serve only elementary pupils under chapter 1, then highly disadvantaged secondary pupils will not be served, while some elementary pupils who are much less disadvantaged will be served. Such a practice would not be a violation of the law.

Taking the last of these three goals first, it was indicated above that the distribution of chapter 1 funds among LEAs is highly correlated with the number of children in poverty families, a seemingly inevitable result of the allocation formula. In at least some cases, the influence of the formula's cost factor does reduce the overall association of allocations with poverty child count--giving more funds per poverty child in some areas than in others--but this is at least intended to reflect different educational costs, and is constrained by the cost factor floor/ceiling provisions (of 80 percent and 120 percent of the national average).

Whether the primary program goal is considered to be the first or second of those listed above, it is relevant to consider both the concentration and nature of services provided. The previous section provides information on the extent that chapter 1 services have been concentrated on poverty and low-achieving children. In terms of the nature of the services provided, according to the SES, participating children have received more instruction in basic reading and mathematics skills than have non-participants. However, since the total instructional time has not generally been greater for chapter 1 participants, and they have been typically "pulled out" of their regular classrooms for chapter 1 instruction, they have usually missed regular instruction in reading, mathematics, or other subjects. Chapter 1 teachers have, on average, been less experienced than other teachers, but have received greater academic and in-service training in instructional techniques. The SES further found chapter 1 classes to have a lower pupil-teacher ratio than regular classes, with greater individual attention, a larger proportion of class time spent "on task," and greater use of instructional equipment. Thus, in general, chapter 1 classes are supplemental in terms of additional expenditures and greater intensity of instructional resources, but not in terms of total instructional time because of the loss of regular instruction. Because of this, authors of a recent Rand Corporation study ("Problems of Implementing Multiple Categorical Education Programs") recommend that Federal and/or State regulations "provide verifiable standards to ensure that program funds truly increase the levels of resources [defined here primarily in terms of total instructional time] available in classrooms that serve disadvantaged children" (p. viii). However, another recent study of chapter 1 practices ("District Practices Study," by Advanced Technology, Inc.) reported that approximately 60 percent of LEAs had policies to prevent chapter 1 participants from missing regular reading and/or mathematics instruction when receiving chapter 1 instruction. This issue is especially significant because most "education production function" models (including the one developed and tested as part of the SES) indicate that "opportunity to learn" (primarily, length and specificity of exposure to material on which tests are based) is the school-related factor which most influences achievement test score performance.

Summer programs are exceptions to the general pattern of chapter 1 programs that do not increase total time of exposure to instruction. However, summer programs are infrequently offered as part of the chapter 1 program, and the SES found that they were ineffective in raising pupil achievement levels, primarily because they provided little instruction in basic academic subjects.

It is widely assumed (but not explicitly stated in the legislation) that the ultimate purpose of chapter 1 is to raise the measured academic achievement levels of participating pupils. As indicated earlier, there have been numerous studies of this aspect of the program. Overall, there has been a trend toward finding more positive achievement effects in evaluations conducted since the mid-1970s. Earlier studies were quite pessimistic about achievement results, primarily because of: poor evaluation methodology; impatient expectation of "immediate," easily measurable results; inexperience with the program and with strategies for serving educationally disadvantaged children on the part of State and local officials; and misunderstanding of, or lack of refinement in, legislative requirements intended to focus chapter 1 funds on supplemental services for eligible children, leading to a dispersion of chapter 1 funds into "general aid" in many localities.

More recent evaluations, particularly the most extensive of them--the SES, the NIE study, and the annual reports from ED's Title I Evaluation and Reporting System (TIERS) program--have agreed that the achievement impact of chapter 1 services is, in the aggregate, positive though moderate.

--The SES found gains by elementary level chapter 1 participants compared to control group pupils in grades 1-6 in mathematics achievement and grades 1-3 for reading.

--The NIE study found that participants gained 7-12 months (in terms of grade levels) in reading achievement and 11-12 months in mathematics achievement per year of program participation, and that these gains were substantially higher than would be expected in the absence of chapter 1.

--According to ED, for 1983-84, participant achievement gains expressed in terms of "normal curve equivalent" (NCE) scores ranged from +0.5 (grade 10) to +4.4 (grade 5) in mathematics. Reading score gains were found to range from +0.3 (grades 11 and 12) to +3.2 (grade 6) points. (These scores, compiled on an annual testing cycle, are the levels of participants' achievement on a statistical "normal curve" scale, with the average (mean) score at 50. Any gain or loss in these scores is intended to reflect an increase or decrease in relative performance compared to all other pupils at the same grade level.)

Other patterns found in the SES and several other studies of the achievement gains of chapter 1 participants include the following:

--Gains are greater in earlier than later grades (although this may result primarily from lower pupil participation in the later grades, leading to a lower average achievement level of the participants).

--Gains are greater in mathematics than in reading.

--Results are more positive for moderately than severely disadvantaged pupils (leading some analysts, including the authors of the SES, to recommend that an additional, more intensive program should be developed to serve the most disadvantaged pupils).

--Summer loss of achievement levels is not substantially greater for disadvantaged than other pupils.

--Achievement gains are not sustained several years later for those who still need, but lose access to, chapter 1 services; but those who are "promoted out" of chapter 1 as a result of improved achievement (approximately 24 percent of participants per year) maintain their gains.

--Consistent relationships have not been found between program cost and achievement gains.

Additional, albeit somewhat indirect, evidence of the impact of chapter 1 services comes from trends in the results in reading and mathematics achievement from the National Assessment of Educational Progress (NAEP, a project funded by the OERI and now conducted by the Educational Testing Service, ETS). In general, the NAEP found that during the 1970s, achievement scores rose significantly for younger black children, especially in the Southeastern region, while declining somewhat among relatively high achievers and remaining static for other youth. Similar findings have been reported in a recent study by the ETS ("Factors Associated With Test Score Decline"). Some have argued that since those who are most likely to have received chapter 1 services gained most in achievement, and since NAEP also found that aggregate reading achievement scores improved for pupils in chapter 1-eligible schools relative to non-chapter 1 schools, this represents indirect evidence for success for the program. However, alternative explanations are possible--for example, the gains could be at least partially due to increased emphasis on basic skills or "minimum competencies" throughout many LEAs, or to relatively high gains in economic development and overall school expenditures in the Southeast during the 1970s.

While it is generally agreed that chapter 1 participation leads to aggregate achievement gains, there is much debate over whether the gains are sufficient to judge the program a success, or whether the effects justify the program's cost (i.e., whether it is cost effective). Clearly, the current level of program effects is insufficient to raise the achievement levels of disadvantaged pupils to those of average pupils. Nevertheless, chapter 1 participants are achieving at levels above what would be expected without the program. Further, the effects on those who "graduate out" of program participation (and are no longer considered in measuring program impact under current techniques) should be taken into account in measuring total program impact. Also, the long-term evaluation methods that have recently shown certain non-chapter 1 preschool programs to be successful, according to such criteria as reducing high school drop-out rates, have not been applied to chapter 1 programs. (See, "Changed Lives, the Effects of the Perry Preschool Program on Youths Through Age 19," published in 1984 by the High/Scope Educational Research Foundation.) Therefore, the long-term effects of chapter 1 participation on individual characteristics other than the measured test scores of continuing participants is unknown.

The cost effectiveness of different methods of serving educationally disadvantaged pupils is a topic deserving of further research. One possible reason for the lack of a finding of consistent cost effectiveness relationships is that projects aimed at serving the most severely disadvantaged are likely to be both among the most costly (requiring intensive use of instructional resources) yet show relatively few measurable achievement results. Therefore, it may be questioned whether standard measures of cost effectiveness should be applied to a program such as chapter 1, which is intended to serve the most disadvantaged pupils. Another reason for a lack of consistent cost effectiveness findings is that certain program characteristics found frequently to positively influence achievement results, such as high parental involvement, do not have monetary costs directly associated with them. Whatever the reason for current findings on cost effectiveness, some analysts have stated that these findings imply that available program funds should be spread over a larger number of pupils--that while program participation has a small, positive effect, more costly programs have not proven to be more effective than less expensive ones. (See "Is More Better? The Effectiveness of Spending on Compensatory Education.")

P.L. 98-211 (ECIA technical amendments) requires the Secretary of Education to conduct a national assessment of compensatory education programs assisted under ECIA chapter 1. The assessment is to include consideration of services delivered, recipients, program implementation, and effectiveness. The study would be carried out by the National Institute of Education, with a final re-port to be delivered to the Congress by January 1, 1987. No additional funds were authorized to be appropriated for this activity.

On November 20, 1984, the NIE (now part of the OERI) published a plan for the chapter 1 study mandated in P.L. 98-211. According to this plan, the study is based on three underlying assumptions--that the characteristics of the poverty population have changed in the last 20 years; that the growth in education research and evaluation has yielded findings about effective practices that could be synthesized and used to identify especially effective chapter 1 program activities; and that the effects of the 1981 chapter 1 legislation on this program should be investigated. It is planned that three reports be produced, each of them related primarily to one of the above assumptions: "The Nature and Extent of Program Services," "The Size and Variability of Program Effects," and "The Current Operation of the Program and the Prospects for Improving It." Specific topics intended to be considered in the study include the effects on chapter 1 of recent emphases on educational technology and "school improvement" programs; estimation of the value for chapter 1 of such alternative administrative mechanisms as vouchers and performance contracts; and consideration of the effects on chapter 1 of recent changes in State policies regarding graduation requirements, State assessment of pupil progress, teacher certification, etc.

The first interim report of the National Assessment of Chapter 1 was released on May 30, 1986. This report, entitled "Poverty, Achievement, and the Distribution of Compensatory Education Services," provides background information and statistical analyses of the income and achievement status of chapter 1 participants, the proportion of educationally disadvantaged pupils not receiving chapter 1 services, the relationship between poverty and educational disadvantage, and the general characteristics of children in poverty families. Much of the report is based on re-analyses of the pupil data compiled for the SES (see above), rather than newly collected data, raising questions about the data's relevance to current program operations. Statistical analyses of particular interest include evaluations of the effects on pupil achievement of concentrations of poverty children and of long- v. short-duration poverty. Major conclusions of the interim report include the following: concentrated or long-term poverty is more closely associated with educational disadvantage than is a static measure of individual pupil poverty (as currently used to allocate chapter 1 funds); children experiencing long-duration poverty are relatively likely to belong to minority groups, to live in the South or in small rural areas, while those experiencing highly concentrated poverty are likely to live in large urban areas; and a significant proportion of participating pupils are above the 50th percentile in achievement (in reading, ten percent of participants), while approximately 60 percent of children below the 25th percentile in achievement receive no chapter 1 services. The latter finding appears to result not from administrative error but from the breadth of allocation of chapter

1 funds (about 70 percent of elementary schools participate), and the authority for schools to focus services on specific grade levels--resulting frequently in schools with relatively few poor or educationally disadvantaged children receiving chapter 1 funds, and in less disadvantaged pupils in selected grades participating in chapter 1 while more disadvantaged pupils in other grades do not participate.

Finally, in an attempt to improve the rate at which evaluation results are applied toward the improvement of chapter 1 projects, and to recognize especially successful chapter 1 projects, the Department has conducted an "Initiative to Improve the Quality of Chapter 1 Projects." In April of each of 1985 and 1986, a number of chapter 1 LEA projects were identified as being "unusually successful" in meeting the special needs of educationally disadvantaged children. These projects were selected by the ED on the basis of nominations by State education agencies. A recently released report, "Effective Compensatory Education Sourcebook," provides a summary of selected characteristics of the chapter 1 projects identified as "unusually successful" in April 1985, plus 24 other title I/chapter 1 projects previously selected as exemplary by ED's Joint Dissemination Review Panel.

The "Effective Compensatory Education Sourcebook," aimed at an audience of chapter 1 teachers and administrators, focuses on the extent to which the selected chapter 1 projects embody 13 school instructional and organizational attributes previously identified by certain analysts as being typically found in "unusually effective" elementary schools. 18/ These attributes were described (in the "Sourcebook") as: appropriate instructional materials, methods, and approaches; parent/community involvement, especially the use of

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18/ For further information on this research literature, see "The Effective Schools Research: Content and Criticisms," CRS Report No. 85-1122 EPW, by James B. Stedman.

supplementary instructors at home; coordination with the regular school program/other special programs; maximum effective academic learning time; regularly monitored pupil progress; high expectations; frequent feedback and reinforcement; recognition of excellence; professional development activities for teachers and other staff; clear goals and objectives; strong leadership; use of evaluation results to improve projects; and a "positive" school/classroom climate (including effective discipline). Overall, there is an emphasis on schoolwide attributes, as well as those specific to chapter 1 projects. Not included in this guide is information on project costs or cost-effectiveness.

ADDITIONAL PROGRAM BACKGROUND INFORMATION AND ISSUES

1981 Consolidation Legislation

Proposals to consolidate or simplify most Federal programs of aid to elementary and secondary education, including chapter 1 (at that time title I), received attention during the 97th Congress. Two basic approaches were considered as alternatives to the antecedent law: (1) combining (at that time) title I with other major elementary and secondary education programs (for example, the Education of the Handicapped Act and the Emergency School Aid Act) in a single grant with States or LEAs free to use the Federal funds to meet any of the needs addressed by the antecedent programs (educationally disadvantaged children, handicapped children, children suffering the effects of school segregation, etc.); versus (2) maintaining chapter 1 as a separate program serving only disadvantaged children, but modifying the legislation to give States and LEAs greater flexibility in the use of funds for this purpose. The first approach is that of the legislation enacted in the Omnibus Budget Reconciliation Act (OBRA) of 1981 (P.L. 97-35). 19/

Initial studies of the implementation of the chapter 1 legislation are discussed below. The substantive changes to the former title I program, are described below.

1. The provisions for fund eligibility and allocation remained the same (subject to an authorization ceiling for fiscal years 1982-1984).
2. Federally specified LEA application requirements were simplified.
3. Fiscal accountability requirements were generally made easier to comply with (e.g., the maintenance of effort requirement was reduced from 100 percent to 90 percent of the previous year's State and local expenditures).
4. The previous limited requirements or recommendations related to how projects should be carried out (parental advisory councils, individualized plans, etc.) or administered (provisions for complaint resolution, Federal and State program administration, etc.) were removed. Also, several provisions explicitly authorizing flexibility in carrying out programs (such as choice of target areas on the basis of either low-income or educational deprivation, or authority for "schoolwide projects" where the low-income child proportion is 75 percent or more) were initially removed, but most were returned under ECIA technical amendments legislation in 1983 (P.L. 98-211).

In late 1984, the Children's Defense Fund issued a report on the implementation of the chapter 1 legislation, with focus particularly on the contrasts between chapter 1 legislation and activities and those under title I. The major findings of this report are that, under chapter 1: fewer children are being served; there has been substantially less parental involvement; Federal monitoring and guidance have been greatly reduced; and in 25 States, State monitoring and assistance have also been significantly reduced. The authors of

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19/ For a more extensive discussion of education program consolidation proposals and legislation, see "Block Grant Funding for Federal Education Programs: Background and Pro and Con Discussion," CRS report no. 86-992 S, by K. Forbis Jordan, Nov. 18, 1986.

the report recommend greater congressional oversight of chapter 1, greater funding, certain legislative changes (primarily to mandate greater Federal and State program direction), and greater citizen involvement.

A similar report was published by the Lawyer's Committee for Civil Rights Under Law in November 1984, entitled "The First Year of Chapter 1." According to the authors of this report, the first year of chapter 1 implementation was marked primarily by inertia in program administration combined with reduced levels of services caused principally by fund cuts rather than by the change in authorization legislation. The authors expressed concern about their findings of reduced State monitoring and guidance of local programs, reduced parental involvement, and weakened standards for comparability, maintenance of effort, and targeting of services. They offered several recommendations for legislative amendments, including several that were intended to strengthen Federal and State monitoring and enforcement activities, increase parental involvement in chapter 1 projects, and enhance the collection and reporting of data on program participation and evaluation results.

Finally, a major report on implementation of chapter 1 was published in 1985 by Milbrey McLaughlin, et al., of Stanford University's Institute for Research on Educational Finance and Governance ("State and Local Response to Chapter 1 of the ECIA, 1981"). On the basis of surveys of 8 State education agencies and 24 LEAs, the authors of this report concluded that State level responses to Federal legislative changes have varied widely, while local program operations have remained substantially unchanged since enactment of the chapter 1 legislation. According to the authors, the legislative structure for the State role in program administration and direction was removed in chapter 1, leaving State responses to depend primarily on State political cultures and administrative contexts. Little change was found in State administrative practices where political support for categorical programs was strong, but there has been a diminished State role where "anti-bureaucratic and anti-social welfare sentiments now dominate" (p. 157). In contrast, except for a number of changes resulting from reductions in the real (adjusted for inflation) level of funding, there were found to be few modifications in local program operations. The authors determined that although the degree of detail in legislative provisions governing local program operations was greatly reduced, the essential framework remained sufficiently similar to lead to minimal change in local practices. The primary exception to this pattern was parental involvement, where practices no longer specifically required were frequently dropped. In summary judgement of the chapter 1 legislation, the authors of this report conclude, "[W]e find the new legislation strikes a good balance between the need at the local level for increased flexibility to shape effective programs and the Federal goal of ensuring the delivery of supplemental services to educationally disadvantaged students . . . Title I/chapter 1 has matured to the point that staff should be given discretion in determining program means; but programs could not be sustained in most settings if staff were given discretion over program ends" (abstract and p. 172), i.e., if the program were consolidated into a form of assistance not specifically focused on educationally disadvantaged pupils.

Recent Demographic and Educational Policy Trends

Two major recent trends--an increase in the proportion of children living in poverty families, and the education "reform" movement that has received substantial attention beginning in 1983--are thought by many analysts to have great potential influence on the number of educationally disadvantaged children and their needs. A recent House Ways and Means Committee Print, prepared by the Congressional Research Service and the Congressional Budget Office ("Children in Poverty"), showed that the poverty rate for children aged 5-17 rose from 15.3 percent in 1979 to 21.3 percent in 1983. This rate fell to 19.4 percent in 1985. To the extent that poverty and educational disadvantage are correlated, this may imply an increase in the need for chapter 1 services. Further, the increase in the child poverty rate since 1979 would not be accounted for in the chapter 1 basic grant allocation formula, since allocations continue to be based on 1980 census data (which are based on income in 1979). In response, some have argued that the chapter 1 funding level should be substantially increased. In contrast, it might be argued that the correlation between poverty and educational disadvantage is imperfect--the authors of the SES found the correlation coefficient to be only .30 for individual pupils (a "perfect" correlation would be 1.00). Further, it might be argued that the lag in data availability likely overstates the current extent of child poverty--i.e., that the economic recovery beginning in 1983 has led to a slight decline in the child poverty rate by 1985, and might continue to reduce this rate in the future. 20/

The second major trend with potential implications for chapter 1 is the education "reform" movement, with its numerous advisory reports such as the publication of "A Nation at Risk" by the U.S. Department of Education in 1983, and attendant changes in curriculum, graduation standards, and other educational educational policies in many States and LEAs. 21/ Several analysts have

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20/ For a more thorough discussion of this issue, see Changes In The Rate Of Child Poverty: Possible Implications For Chapter 1, Education Consolidation and Improvement Act, Congressional Research Service report no. 86-773, by Wayne Riddle, July 10, 1986. 29 p.

21/ For a detailed analysis of this trend, see the CRS issue brief, "Education in America: Reports on its Condition, Recommendations for Change," by James B. Stedman, IB83106.

recently argued that this movement has overlooked and/or exacerbated the needs of the educationally disadvantaged, primarily through increases in academic standards without consideration of the impact of such increases on disadvantaged pupils, or a focus on the needs of the average-to-gifted student.

In January 1985, the National Coalition of Advocates for Students issued a report entitled, "Barriers to Excellence: Our Children at Risk." The primary theme of this report is that educationally disadvantaged children are being ignored in the current period of primary emphasis on "excellence" in elementary and secondary education; that the average-to-gifted student is now the main focus of educational concern and attention among policymakers and the public, to the detriment of children considered by the authors to be "at risk"--the poor, handicapped, limited English proficient, and female students. The report identifies as "barriers" to achievement by these children such factors as low expectations, inequalities in educational expenditures, too-frequent placement in programs for the handicapped, a lack of services to meet special educational needs, ability grouping in classrooms, "over-emphasis" on "discriminatory" standardized testing, and a lack of individualized attention (e.g., "rigid" scheduling and "standardized" curricula). The authors of the report recommend greater spending for chapter 1 and the development of a new Federal program for compensatory education for disadvantaged secondary students, greater equalization of basic school finance programs, enactment of comprehensive programs for preschool education, and renewal of the former parental involvement requirements for chapter 1, among other recommendations.

Similar conclusions were reached by Henry Levin, author of the recent report "The Educationally Disadvantaged: A National Crisis," published by the Institute for Research on Educational Finance and Governance at Stanford University. This report focuses on a finding that both the number of educationally disadvantaged children and the average degree of their disadvantagement are rising, mainly due to increasing rates of child poverty and immigration, and rising proportions of children who are members of minority groups. The author states that these trends, combined with school "reform" measures that raise educational standards without providing additional resources to help the disadvantaged meet them, will lead to higher school dropout rates and ultimately higher unemployment rates. He argues that conventional educational programs will not be effective for the disadvantaged, and that substantial resources should be devoted to chapter 1 and similar educational programs.

Finally, Alan A. Glatthorn argues that there is an inherent tension between the goals of "excellence" and "equality." "Resources are finite--and shrinking . . . . It is manifestly unjust to distribute resources so that fast students can achieve excellence if doing so entails the sacrifice of resources necessary for the slow to achieve competence and dignity" ("Curriculum Reform and 'At-Risk' Youth," p. 4).

In contrast, several proponents of current educational "reforms" have argued that higher academic standards are in the best interest of all students, including the educationally disadvantaged, and need not reduce attention to the needs of the disadvantaged or increase drop-out rates for such students. A common theme of these arguments is that academic standards that are not high offer no benefit to educationally disadvantaged children, since they lead to inadequate preparation for life after elementary and secondary school. Further, many of the proponents of higher academic standards for all students argue that educationally disadvantaged children can meet much higher academic standards than they have in the past if there are clear expectations and requirements that they do so. For example, Mortimer Adler, in "The Paideia Proposal," argues in favor of a demanding elementary/secondary educational program that is essentially the same for all students. He states that offering less academically demanding courses to disadvantaged pupils leads to a "dead end" because it does not offer an adequate preparation for advanced learning throughout life. Adler believes that disadvantaged pupils should be aided in completing this demanding curriculum by comprehensive remedial education and, if necessary, spending additional time in instruction. William Honig, State Superintendent of Public Instruction in California, has stated that ". . . [B]uying their [the students'] presence and passivity by never challenging them is bad for the students and for society . . . . [S]chools with a strong sense of purpose hold more students even if they make heavier demands on them" ("The Educational Excellence Movement: Now Comes The Hard Part," Phi Delta Kappan, June 1985, p. 681).

Finally, a recent report by the U.S. Department of Education--"What Works: Research About Teaching and Learning"--emphasizes the judgment that a rigorous curriculum and high teacher expectations have a significant and positive impact on the education of all children, including the educationally disadvantaged. "The more rigorous the course of study, the more a student achieves, within the limits of his capacity" (p. 59). "Teachers who set and communicate high expectations to all their students obtain greater academic performance from those students than teachers who set low expectations" (p. 32).

It must be emphasized that most of the debate over the impact of recent educational "reforms" is speculative. In general, individuals in this debate are making statements borne of their educational philosophies and special concerns, without the benefit of quantitative or other information on actual results of implementing higher academic standards or other elements of the "reform" agenda. More time for implementation of and reaction to this agenda will be a necessary prerequisite for more informed debate over these issues.

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III. STATE AGENCY MIGRANT EDUCATION PROGRAM
AUTHORIZED UNDER
CHAPTER 1 OF THE EDUCATION CONSOLIDATION AND IMPROVEMENT ACT

SUMMARY OF PROGRAM PURPOSE AND STRUCTURE

Chapter 1 of the Education Consolidation and Improvement Act authorizes grants to State educational agencies for programs meeting the special educational needs of migrant children. All States but Hawaii receive grants, as do the District of Columbia, the Northern Mariana Islands, and Puerto Rico, and about 1,200 programs get funds. Individual programs frequently consist of a number of projects in different schools. In practice, most programs are administered by local educational agencies, not States. Twelve percent are administered by intermediate level school districts, colleges and universities, and other nonprofit agencies. Approximately 350,000 students are served. The statute also authorizes contracts with State educational agencies for a record transfer system and other coordination activities. These contracts are discussed in a supplement at the end of this chapter.

BRIEF LEGISLATIVE HISTORY

The chapter 1 migrant education program was first authorized as part of title I of the Elementary and Secondary Education Act by the Elementary and Secondary Education Amendments of 1966, P. L. 89-750. The House report on the legislation noted the difficulties that migrant children face:

> The children of migratory agricultural workers present a unique problem for educators. Migratory workers travel from community to community in order to work. They often settle in a single community for two months or less. Consequently, their children are seldom in school long enough to participate in school activities; some spend only two to six weeks in any one school district during the harvest season. Well over half of all migrant children are not achieving at their grade level; a substantial number of them are two years or more behind in their schooling. 1/

The 1966 legislation established basic features of the program that remain today. Federal grants were made to State educational agencies (SEAs), not to local educational agencies as in the title I basic grant program. Grants were based not only on estimates of the number of eligible children but also on average per pupil expenditures (measured originally for the migrant program on a national basis, not by State). Grants could be used only for programs meeting the children's special educational needs. Spending money on equipment and construction was expressly permitted. Programs had to comply with many of the requirements for the basic grant program: private school children had to be included, evaluation procedures adopted (including "objective measures of educational achievement"), periodic reports submitted, and appropriate fiscal control and accounting procedures established. In addition, programs had to be coordinated with migrant programs authorized under the Economic Opportunity Act (later, coordination was also required with migrant employment and training programs). Finally, the Commissioner of Education was authorized to by-pass State educational agencies that were unwilling or unable to administer the program. 2/

1/ Committee on Education and Labor. Elementary and Secondary Education Amendments of 1966. August 5, 1966. Washington. U.S. Govt. Print. Off., 1966. (89th Congress, 2d session. House report no. 89-1814). p. 10. Identical language is in the Senate report.

2/ Sec. 103 of P.L. 89-750. For more information about basic grant program requirements and how they were changed by subsequent legislation, see the previous discussion of chapter 1 grants to local educational agencies.

Originally the State agency migrant education program was restricted to migratory children of migratory agricultural workers. However, in the **Elementary and Secondary Education Amendments of 1967, P.L. 90-247,** Congress extended the eligibility of such children, provided their parents concurred, for an additional five years. 3/ Thus the program was expanded to include both children who are currently migrant and children who are formerly migrant. The Senate report on the legislation explained why eligibility should be extended:

> Children who have been left with friends or relatives while the parents are migrating to areas where work is available, suffer from a cultural gap when enrolled in the local school system even after receiving services in their first year of residence in a community. They continue to encounter difficult language problems and are reluctant to attend school because their attire may be shabby. They experience difficulty in becoming involved in the regular school community. These children have problems in adjusting to the alien cultural and sociological climate of the school system. The committee's amendments to title I will make possible the continuity of effort needed for special migrant programs to dislodge these children from the migrant stream and integrate them successfully into the local educational system. 4/

A subsequent Senate report suggested that migrant education funds nonetheless should primarily be used for currently migrant children and that formerly migrant children could be served by the local educational agency basic grant program:

> . . . . . there may be a tendency to exclude migrant children from the basic title I projects because they are eligible for participation in migrant projects. The committee wishes to make clear that, when migrant children are not in actual migratory status, it may be more appropriate that they participate in the basic projects, and that the funds arising from the migrant entitlement are intended to be concentrated on projects serving children who are actually in a migratory status. Local educational agencies serving numbers of migrant children at their "home base" are expected to take the needs of such children into consideration in planning their basic title I projects. In such cases, migrant children will benefit from basic

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3/ Sec. 109.

4/ Committee on Labor and Public Welfare. Elementary and Secondary Education Act Amendments of 1967. November 6, 1967. Washington, U. S. Govt. Print. Off., 1967 (90th Congress, 1st session. Senate report no. 726). p. 10.

> projects while they are at the "home base" and from migrant projects while they are "on the road." Where appropriate, basic projects and migrant projects are expected to be properly coordinated. 5/

In 1972, title I was amended to make it explicit that priority in the migrant education program should be given to children who are currently migrant. 6/

Eligibility to participate in the program has been expanded in other ways as well. In 1972, a provision was added that projects should provide for migrant children's preschool educational needs, though only if this would not detract from meeting the needs of school-age children. 7/ Unlike formerly migrant children, preschool children are not counted for purposes of making allocations. In 1974, migratory children of migratory fishermen were added. 8/ Finally, in 1983, after the Department of Education proposed new regulations with more restrictive definitions of "currently migratory child," "migratory agricultural worker," and "migratory fisher," Congress specified that the previous, broader definitions were to be maintained. 9/

Requirements for parent participation were explicitly added to the migrant education program by the **Education Amendments of 1978:**

> . . . in planning and carrying out programs and projects at both the State and local educational agency level, there has been and will be appropriate consultation with parent advisory councils established in

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5/ Committee on Labor and Public Welfare. Elementary and Secondary Education Amendments of 1969. January 21, 1970. Washington, U. S. Govt. Print. Off., 1970. (91st Congress, 2d session. Senate report no. 91-634). p. 13. The legislation for which this report was submitted contained a provision, subsequently enacted into law, that prevented States from applying unused migrant education funds to the basic grant program. P.L. 91-230, sec. 106(b).

6/ Education Amendments of 1972, P.L. 92-318, sec. 507(b).

7/ Ibid., sec. 507(a).

8/ Education Amendments of 1974, P.L. 93-380, sec. 101.

9/ P.L. 98-211, sec. 1. This law made technical amendments to the Education Consolidation and Improvement Act. For definitions of "currently migratory child," etc., see the following section of this chapter.

> accordance with regulations of the Commissioner (consistent with the requirements of section 125(a));... 10/

Previously the program had no express statutory requirements for parent participation, though Office of Education regulations had required State educational agencies to consult with parents of children served and to set up one or more councils. With the 1978 amendments, however, local educational agencies also had to establish parent advisory councils, both for the district as a whole and for individual schools or project areas having programs larger than a certain size (as section 125(a) of title I specified, along with other matters).

The parent participation requirements, like other requirements for the migrant education program, were carried over into chapter 1 when the program was incorporated in the Education Consolidation and Improvement Act of 1981, P.L. 97-35. As with the other Title I State agency programs, such incorporation involved no explicit change to the structure or purpose of the migrant program. In contrast, for the basic grant program, many requirements, including those for parent advisory councils, were not carried over. 11/

10/ P.L. 95-561, sec. 101.

11/ The migrant education program was included in chapter 1 by sec. 554 of the Education Consolidation and Improvement Act, which was part of the Omnibus Budget Reconciliation Act of 1981, P.L. 97-35. The proposed rules for the migrant education program that the Department of Education issued after the enactment of the Education Consolidation and Improvement Act did not contain an explicit requirement for parent participation, let alone for parent advisory councils. However, with the passage of P.L. 98-211, making technical amendments to ECIA, Congress reaffirmed the requirement when it did not include a House-passed provision that would have amended it. For details of the legislative history of parent participation requirements for the migrant education program, see CRS report no. 86-609 EPW, Parent Participation Requirements in the Chapter 1 Migrant Education State Grant Program, by Bob Lyke.

ALLOCATION FORMULA AND PROCESS

Funds for the chapter 1 migrant education program are allocated to State educational agencies on the basis of estimates of the number of eligible children in each State. Two groups of children are considered: (1) "currently migrant" children and "formerly migrant children" (that is, those who were currently migrant within the last five years) between the ages of five and 17, inclusive, who reside in a State full-time, and (2) the full-time equivalent of currently migrant children and formerly migrant children of such ages who reside in a State part-time. (Full-time equivalent counts are calculated by weighting each child counted by the proportion of a year's time that he or she is considered to be enrolled in a State--for example, by one-half or one-third--and then summing all such products.) Estimates for each State are multiplied by an average per pupil expenditure weighting identical to that used in the chapter 1 basic grant program. With two exceptions, the resulting products are used to determine what proportion of appropriated funds is allocated to each State. 12/ One exception is that additional funds may be made available for summer students. A second exception is that funds deemed to be in excess of what a State requires may be allocated to others with unmet

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12/ In recent years, appropriation levels have been set without reference to State entitlements (as calculated from numbers of eligible children and State average per pupil expenditure). Until the 1980's, appropriations generally were sufficient to provide "full funding" of entitlements.

needs. 13/ Estimates of the number of migrant students are obtained primarily from the Migrant Student Recond Transfer System. 14/

Under program regulations, a "currently migratory child" is a child whose parent or guardian is a migratory agricultural worker or a migratory fisher and who, in general, has moved within the past 12 months from one school district to another to enable a member of the immediate family to obtain temporary or seasonal employment in an agricultural or fishing activity. 15/ The regulations also contain definitions for "migratory agricultural worker" and "migratory fisher" as well as for "agricultural activity" and "fishing activity." 16/

In program year 1986-1987, nearly 60 percent of migrant education funds were allocated to 3 States: California ($74,927,496, or 30.4 percent), Texas ($51,243,828, or 20.8 percent), and Florida ($20,975,977, or 8.5 percent).

Chapter 1 does not specify how State educational agencies are to allocate funds among local school districts and other agencies. According to program regulations, however, subgrants are to be allocated on the basis of the number of children to be served; the nature, scope, and cost of proposed projects; and

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13/ Among the factors taken into consideration for reallocating funds are the number of children who would receive additional services, the estimated cost of services, and whether previous SEA allocations were unused. 34 CFR 201.20-201.25.

14/ Use of Migrant Student Record Transfer System data was first encouraged by the Education Amendments of 1974, P.L. 93-380, sec. 101. Previously, estimates were made using Department of Labor statistics on agricultural laborers. The Education Amendments of 1974 contained a hold-harmless provision for State allocations that affected distribution of funds for the remainder of the decade.

15/ 34 CFR 201.3(b). Even though they do not move from one school district to another, migratory children of migratory fishermen may be eligible if they "reside in a school district of more than 18,000 square miles and migrate a distance of 20 miles or more to temporary residences to engate in fishing activity." P.L. 98-312, sec. 5.

16/ Ibid.

State educational agency priorities regarding which children and areas should be served and which services should be provided. 17/

PROGRAM FUNDING HISTORY

The table on the next page gives a funding history of the migrant education program authorized under title I and chapter 1. The first column shows the appropriations that were enacted from fiscal year 1967, the first year that grants were made, through fiscal year 1987. The second column shows the percentage change in appropriations, based on current dollars. With two exceptions, there have always been increases. The third column shows the percentage change in appropriations, based on constant dollars. The latter column reveals that in seven years appropriations declined in real terms.

17/ 34 CFR 201.25.

State Agency Migrant Program
Authorized Under Title I Of The Elementary And Secondary Education Act Of 1965 And
Chapter 1 Of The Education Consolidation And Improvement Act Of 1981
Appropriations For Fiscal Years 1967-1987, In Current And Estimated Constant Dollars

Fiscal Year	Migrant Appropriation (in thousands of current dollars)	Percentage Change From Previous Year (current dollars)	Percentage Change From Previous Year (constant dollars)
1967	$9,738		
1968	$41,692	328.1%	301.4%
1969	$45,556	9.3%	2.3%
1970	$51,014	12.0%	3.6%
1971	$57,609	12.9%	4.8%
1972	$64,823	12.5%	5.9%
1973	$72,776	12.3%	4.9%
1974	$78,331	7.6%	1.0%
1975 (for 1975)	$91,953	17.4%	8.2%
1975 (for 1976)	$97,090	5.6%	-3.7%
1976 (for 1977)	$130,910 1/	34.8% 1/	23.5% 1/
1977 (for 1978)	$145,760	11.3%	4.1%
1978 (for 1979)	$173,549	19.1%	11.2%
1979 (for 1980)	$209,594	20.8%	10.6%
1980 (for 1981)	$245,000	16.9%	7.0%
1981 (for 1982)	$266,400	8.7%	-0.3%
1982 (for 1983)	$255,744	-4.0%	-10.5%
1983 (for 1984)	$255,744	0.0%	-5.5%
1984 (for 1985)	$258,024	0.9%	-5.0%
1985 (for 1986)	$264,524	2.5%	-2.4%
1986 (for 1987)	$253,149	-4.3%	-7.0%
1987 (for 1988)	$264,524	4.5%	0.4%
Net change, 1967 to 1987 2/		2616.5%	571.1%

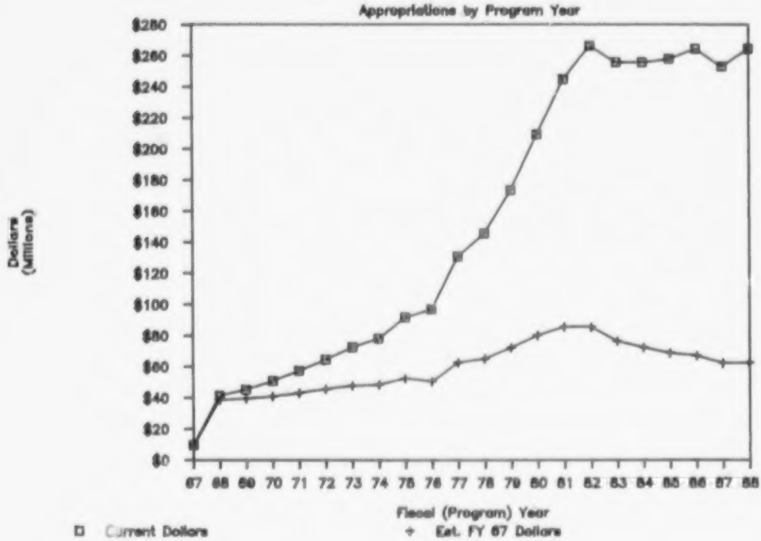
Note: The price index used is the (fixed-weight) deflator for State and local government purchases of services, received from the Bureau of Economic Analysis, Department of Commerce, on Aug. 19,1986. For fiscal year 1986, the index is based on data for the first 3 quarters of the year only. Also, for fiscal years 1987 and 1988, the index is estimated on the basis of Congressional Budget Office projections of the rate of increase in the overall Gross National Product deflator (published in Aug. 1986).

1/ This increase was partially attributable to the need for additional funds during the transition quarter between FY 1976 and FY 1977.

2/ Note that the size of these percentage increases is due largely to the low initial appropriation for this program.

ECIA Chapter 1, Migrant Program

Appropriations by Program Year



How much has funding for the program changed over the past decade? 18/ If one compares the fiscal year 1977 appropriation, $145,760,000, with the fiscal year 1987 appropriation, $264,524,000, it might appear that there has been a substantial increase in funds--more than 80 percent. However, if the appropriations are converted to constant dollars, the apparent increase disappears. If the fiscal year 1987 appropriation were made equal to the fiscal year 1977 appropriation, taking into account changes in price levels, it would have to be $282,862,000, or about seven percent higher than it actually is.

The graph on the next page illustrates the appropriations levels that have been enacted for the migrant education program, both in current and in constant dollars.

18/ Some of the relatively large increase in the period after fiscal year 1975 was due to the use of Migrant Student Record Transfer System data instead of Department of Labor data on numbers of agricultural laborers.

PARTICIPATION LEVEL AND TRENDS

The Department of Education currently is completing a report on the children who were served by the chapter 1 migrant education program during the 1984-1985 school year. The report, the first of its kind to be based upon State program records, will provide information about the characteristics of the participating students and the services they receive. Both national and State totals will be available.

Preliminary data from the forthcoming report show that the migrant education program served more than 350,000 students in the 1984-1985 school year. Of this number, a little over two-thirds (69 percent) were of Hispanic background. About 13 percent were identified as white, 6 percent as black, and 3 percent as Asian or Pacific islanders, and one percent as American Indian or Alaskan Native. 19/ Slightly over half were male. The table on the next page shows the distribution of the students by grade level:

19/ Nine percent were identified as "unknown" or "other." Numbers do not add to 100 due to rounding.

Migrant Education Program
Chapter 1, Education Consolidation and Improvement Act
Enrollment by Grade Level
School Year 1984-1985
(expressed in percentages)

Grade level	Regular school year	Summer school
Pre-K	4.%	7.75%
K-6	62.41%	72.69%
7-9	20.77%	11.71%
10-12	11.29%	5.60%
Ungraded	1.34%	2.25%
TOTAL	99.99% 20/	100.00%

Older descriptive information about students served in the migrant education program is available from a large evaluation study conducted by Research Triangle Institute using data from the 1977-1978 school year. 21/ Among the

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20/ Numbers do not add to 100.00 due to rounding.

21/ The Research Triangle Institute study, begun in 1976 under contract with the U.S. Office of Education, consisted of a report on evaluation models and three integrated national studies: a validatiuon study assessing the accuracy and completeness of Migrant Student Record Transfer Syustem data for the allocation of funds, a descriptive study providing information about the migrant education program and the children who participated in it, and an impact study analyzing how the program affected basic skills development. The validation and descriptive studies were based upon a representative national sample of approximately 9,000 children who were in the migrant education program in 1977 and for whom there initially were MSRTS records (though the data base was not restricted to those records). Altogether, the Research Triangle Institute study resulted in more than 50 reports. The information presented here is taken from the summary volume by Ben Cameron, Comprehensive Summary: Study of the ESEA Title I Migrant Education Program. Research Triangle Institute. Center for Educational Research and Evaluation. March, 1981.

findings of this study relating to race, ethnicity, and English language competence were the following: 22/

- The national population of migrant children is preponderantly Hispanic, with about 64.5 percent of the total population being Mexican Americans, and an additional 4.5 percent Puerto Rican or other Hispanics;
- Hispanic migrants are significantly more active (mobil) [sic] than other racial or ethnic groups. Most black migrants appear to have settled out . . . ;
- Most migrant children are thought by their teachers to display sufficient facility with the English language for this factor alone not to be an important impediment to academic achievement. Nevertheless, the group whose language proficiency . . . is sufficiently limited for it to interfere with classroom work is large enough to warrant continued concentrated attention, particularly in the early school years.

Among the Research Triangle Institute study's findings about school enrollment and attendance were the following: 23/

- Only about 24 percent of the estimated population of 372,000 identified migrant children in 1977 showed enrollment in more than one school district during the calendar year; an additional 30 percent were enrolled in only one district during the year, but for less than the full year. The remaining 46 percent were enrolled in the same school district for the full calendar year;
- Those migrant children enrolled in school less than the full year miss, on the average, about six weeks of school during the calendar year;
- During the periods when migrant children are enrolled in school, their attendance rates are somewhat higher than those for the school population as a whole;
- There appears to be . . . rapid dropout of migrant students beginning at about the eighth grade;
- Throughout the grade levels, migrant children are significantly older than their modal cohorts of all school children in the specific grade . . . .

22/ These quotations are from Cameron, op. cit., p. 41.

23/ Ibid., pp. 40-41.

SYNTHESIS OF EVALUATION FINDINGS

Is the Target Population Being Served?

This section discusses two questions: whether the migrant education program serves the target population, and whether the program's objectives are being met. Do children who meet the eligibility requirements in the chapter 1 migrant education statute and regulations participate in the program? There are several reasons why migrant children might not be served. Some children who migrate do not move to school districts that have programs. Nationwide, only slightly more than 1,000 local educational agencies, about 7 percent of the total, receive subgrants for migrant education. While many school districts without programs do not have migrant children, or have only a few, some districts with migrant students choose not to participate. In the latter communities, some migrant students may be served in the chapter 1 basic grant program, but no data are available about this.

Even if migrant children move to a school district with a migrant program, however, they may not be enrolled as migrant students. Children who move only during the summer may be reluctant to attend summer school; during the regular school year they may not see themselves, or be viewed as school officials, as "migrants." This could particularly be the case for students who do not miss any of the regular school year because of their move. More important, some children who move to a district with a program do not enroll in school at all. In some cases, their stay in a community is so short that enrollment does not seem practical; in other cases, schools do nothing to encourage their attendance.

The Research Triangle Institute study for school year 1977-1978 came to several conclusions about whether the migrant education program served the target population. The conclusions must be viewed with caution, partly because the study's data about student mobility may be flawed and partly because the data are now nine years old. 24/ Nonetheless, the study found the following: 25/

> - By and large, the Migrant Education Program serves consistently a portion of the eligible population of migrant children that is easily identified, followed, and served. This is composed primarily of children who are formerly migrant, or whose families have developed or demonstrated sufficient stability to make their movements largely predictable;
>
> - There is, however, a sizeable portion of the population of eligible migrant children who are inconsistently identified, recruited, and served by the Migrant Education Program. These children tend to move more frequently than their more stable peers, and to be more in need of the particular services designed to compensate for educational disadvantages arising from migrancy. These children are more difficult to find and serve; those who are located and recruited tend to move in and out of the program; they also tend to move in and out of schools, when they attend school at all.

Congress has clearly determined that the target population for the migrant education program should include not only children who are currently migrant but also children who are formerly migrant, for a period not to exceed five years. Whether the program should continue to serve formerly migrant children is an issue that has received attention in recent years. In 1983, the Administration requested that chapter 1 be amended to reduce from five years to two

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24/ There were several problems with the Research Triangle Institute's data on student mobility: (1) Data sources were not designed to reflect all school district transfers; thus, some migration was not recorded. (2) The MSRTS records for many students in the survey sample were deleted prior to completion of the study. (3) Adjustments to take account of missing data may have further underestimated movement. (4) Children for whom there was no MSRTS file were not included in the survey. See the March 18, 1983 CRS report, Proposed Changes in Federal Programs for Migrant Education, by Bob Lyke, p. 14.

25/ The quotations are from Cameron, op. cit., p. 124. Omitted here is a quotation about the validity of inferences pertaining to mobility.

the period of time that formerly migrant children can continue to participate. 26/ In addition, questions have been raised about whether children should be served in the program if their migration does not interrupt their schooling (for example, if moves occur before entering kindergarten, over the summer, or during holidays.) 27/

Are Program Objectives Being Met?

One objective of the chapter 1 migrant education program is to provide migrant children with services. The Research Triangle Institute study made the following findings about what participating children received: 28/

- For the Nation as a whole, identified migrant children . . . are over twice as likely as poor children in general to receive compensatory instruction. While most of this compensatory instruction is supplied through the MEP . . . a migrant child is more likely than a poor nonmigrant child to receive also regular Title I (LEA Grant) instruction;
- Nearly all migrant children (97 percent) at any school level who receive any instruction funded by the MEP receive instruction in reading or language arts; 66 percent receive instruction in mathematics; and 39 percent receive instruction in one or more other subjects;
- Migrant children classified . . . as being active . . . are somewhat more likely to receive instruction and support services funded by the MEP than are inactive migrant children . . . ;
- Elementary and secondary school migrant children are equally likely to receive some instruction funded by the MEP during the

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26/ For the Administration's request, see the 1983 CRS report by Lyke, op. cit., pp. 5-6 and 22-25. The request has been repeated in subsequent years.

27/ U.S. General Accounting Office. Analysis of Migration Characteristics of Children Served under the Migrant Education Program. GAO/HRD-83-40, May 2, 1983, pp. 20-21. For an analysis of other estimates of the proportion of children served who are either formerly migrant or whose moves did not interrupt schooling, see Lyke, op. cit., pp. 10-20.

28/ The quotations are from Cameron, op. cit., pp. 67-68. "MEP" is an abbreviation for Migrant Education Program.

> regular school year. Participation in summer programs is heavily concentrated in the elementary school grades . . . ;
>
> - About one out of every four elementary-level migrant students, and one of every ten secondary-level migrant students, received MEP compensatory instruction or services in the summer term of 1977;
> - . . . [fully] one-fourth of the migrant-funded instructional effort goes to formerly migrant children;
> - Though substantial portions of the compensatory instruction received by migrant children during the regular school term comes from funding sources other than the MEP, virtually all instruction provided during the summer comes through the MEP.

The Research Triangle Institute study's conclusions about the effect of the program on achievement are as follows: 29/

> - Analyses of study data failed to indicate any consistent, significant relationship between pre-to-posttest score gains for migrant children in grades two, four, and six, and any variable that had to do with compensatory instruction provided by the Migrant Education Program, or by any other funding source. In fact, no relationship was found between score gains and attendance in school . . . ;
> - Migrant children in grades two, four, and six showed statistically significant gains in reading and mathematics test scores over the year between pretest and posttest . . . . Nevertheless, the absolute achievement of migrant children appears to fall farther behind that of the general population as the children get older.

It is not known whether these conclusions, like others in the Research Triangle Institute study, still apply to the program.

[ADDITIONAL PROGRAM BACKGROUND INFORMATION AND ISSUES]

[No additional, relevant information is available.]

29/ The quotations are from Cameron, op. cit., p. 99. Emphasis is in the original. Some conclusions are omitted here.

SUPPLEMENT: CONTRACTS FOR COORDINATION ACTIVITIES

The chapter 1 migrant education program authorizes the Secretary of Education to enter into contracts for operating a transfer system of migrant student records and for improving coordination among State and local educational agencies. Funds for the contracts, all of which must be with State educational agencies, come from a statutory set-aside out of annual appropriations for the migrant education program.

Legislative History

The appropriation set-aside for migrant coordination activities was first explicitly authorized under section 143 of the Elementary and Secondary Education Act (ESEA) by the Education Amendments of 1978, P.L. 95-561. 30/ The legislation permitted awards not only of contracts (as is the case under current law) but also of grants. Section 143 was subsequently incorporated into the Education Consolidation Improvement Act by P.L. 97-35 in 1981. 31/

Even before 1978, however, States had used ESEA migrant education funds for coordination activities. When the migrant education program was first authorized by the Elementary and Secondary Education Amendments of 1966, the legislation provided that funds could be used

> . . . to coordinate [migrant education] programs and projects with similar programs and projects in other States, including the transmittal of pertinent information with respect to school records of [migrant] children. 32/

30/ Sec. 101.

31/ Sec. 554(a)(2)(A).

32/ Sec. 103. The legislation also required that the ESEA migrant education programs be coordinated with migrant programs authorized under the Economic Opportunity Act of 1964. At the tiume, the latter programs included high school equivalency projects, funding for which currently is authorized under sec. 418A of the Higher Education Act.

The House report for the 1966 legislation emphasized the importance of coordination:

> It is expected that the State educational agencies will be imaginative in designing these special programs and that they will cooperate among themselves whenever it is appropriate. The Office [of Education] should exercise leadership in bringing States together to coordinate services and programs so that continuity of education of the children is achieved. 33/

Authority to use migrant education funds for coordination activities remained in ESEA until the Education Amendments of 1978 established the set-aside in order to expand those activities. The Senate report for the amendments explained that

> . . . although the States have cooperated with the Student Record Transfer System, and although some States have gone further with their own efforts, like Texas and Washington State, much more needs to be done. 34/

Under the 1978 legislation, the set-aside was limited to 5 percent of the total amount of ESEA migrant education funds paid to State educational agencies during the previous year. In 1979, the ceiling was changed to 5 percent of the funds appropriated and a floor of $6 million was added. 35/ The House report for the latter legislation also stated the following:

> It is the intent of the Committee that the minimum of $6 million be divided in such a way that the Migrant Student Record Transfer System receive $3.4 million and that the activities carried out by the Office of Education in interstate coordination receive $2.6 million.

33/ Committee on Education and Labor. Elementary and Secondary Education Amendments of 1966. August 5, 1966. Washington, U.S. Govt. Print. Off., 1966 (89th Congress 2d session. House Report no. 1814). p. 10.

34/ Committee on Human Resources. Education Amendments of 1978. May 15, 1978. Washington, U.S. Govt. Print. Off., 1978. (95th Congress, 2d session. Senate Report no. 95-856). p. 24. The House report had similar language. While both the House and Senate bills had provisions establishing a set-aside for migrant coordination activities, under the Senate bill the record transfer system would have been operated by the Office of Education, while under the House bill it would continue to be operated by the States. The Conference Committee adopted the House provision.

35/ P.L. 96-46, sec. 1(9).

> As the set-aside is increased above the $6 million, the Committee intends that these two activities receive comparable shares of the excess. 36/

The most recent legislation amending the ECIA authorization for migrant coordination activities is the National Science, Engineering, and Mathematics Authorization Act of 1986, P.L. 99-159. This Act terminated the authority of the Secretary of Education to issue migrant coordination grants, permitting just contracts. It also provided that the contract for the migrant student record transfer system be awarded to the State educational agency that had the contract the previous year, unless a majority of States notify the Secretary that the agency had substantially failed to perform its contract responsibilities. In addition, the Act provided that migrant coordination activities are not to be considered information collections that are conducted or sponsored by a Federal agency. 37/

Funding History

The table below shows the funding history of migrant coordination activities since fiscal year 1980, the first complete fiscal year after the statutory set-aside was enacted. The first column gives the total amount of funds set-aside from appropriations (made in the fiscal year identified, for use generally in the following fiscal year); the second and third show the obligations from such sums for the Migrant Student Record Transfer System and the other

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36/ Committee on Education and Labor. Technical Amendments Related to the Education Amendments of 1978. July 13, 1979. Washington. U.S. Govt. Print. Off., 1979 (96th Congress, 1st session. House Report no. 96-338). p. 8.

37/ Sec. 402. Not being Federal information collection activities, they would not be covered by Federal controls or restrictions on paperwork. The migrant education program provisions in P.L. 99-159 originated in a Senate amendment to H.R. 1210. They were not addressed by committee reports or in floor debate.

contracts and grants, respectively. The proportion of funds obligated for the Migrant Student Record Transfer System has varied from a low of 61 percent for fiscal year 1981 to a high of 79 percent for fiscal year 1986. 38/

Funding for Migrant Coordination Activities Authorized under the Elementary and Secondary Education Act and the Education Consolidation and Improvement Act Fiscal Year 1980 through Fiscal Year 1987

Fiscal Year	Total Set-aside (appropriations)	MSRTS Contract (obligations)	Other contracts and grants (obligations)
1980	$6,000,000*	$3,400,000	$1,982,717
1981	$7,360,000	$4,873,092	$3,104,159
1982	$7,065,600	$4,998,908	$2,066,690
1983	$7,065,600**	$4,982,908	$2,073,502
1984	$7,065,600	$4,984,394	$2,080,666
1985	$7,065,600**	$4,516,156	$2,541,471
1986	$6,762,000	$5,374,101	$1,387,899
1987	$7,065,600	$5,000,000***	$2,065,600***

*Appropriations not obligated by the end of the fiscal year ($617,283) were carried over to fiscal year 1981.

**Fiscal year 1983 funds that lapsed, $9,390; fiscal year 1985 funds that lapsed, $7,973.

***As of December 5, 1986, these funds had only been apportioned, not obligated.

Source: Department of Education

38/ In contrast, the House Committee on Education and Labor had recommended that the Migrant Student Record Transfer System receive approximately 57 percent of total coordination funds. See p. 3, above.

Overview of Contracts and Grants Awarded

The Migrant Student Record Transfer System is a national, computerized record-keeping system for students eligible to participate in the chapter 1 migrant education program. The System is operated by the Arkansas State Department of Education, though information about students is compiled by local school districts, which either transmit it directly to Little Rock or submit it by way of data entry centers (there are approximately 175 centers). When children migrate, schools where they enroll can ask the System to send reports about them. Currently the System provides not only a "Critical Data Report," with information on such matters as previous enrollment, reading and math ability ratings, immunization, and outstanding education or health problems, but also more detailed reports about students' educational records, medical records, recent basic skills work, and secondary school credits. 39/ In addition, the System compiles enrollment data that the Department of Education uses for allocating funds.

The Migrant Student Record Transfer System was developed in the late 1960s under a contract from the U.S. Department of Education. It became operational in seven States in July 1970. The annual contract for the System has always been awarded to the Arkansas State Department of Education.

There has not been a recent comprehensive, independent evaluation of the Migrant Student Record Transfer System. Nonetheless, the advantages of a national computerized system of educational data on migrant students remain obvious, particularly for students who continue to migrate. To rely on a system in which only paper forms are exchanged, as several States were doing in the 1960s, would not be appropriate. At the same time, the Migrant Student Record

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39/ Information about the MSRTS was provided by Winford "Joe" Miller of the Arkansas State Department of Education.

Transfer System has been criticized for not providing information quickly enough for schools to place students soon after they enroll. Program information, reflecting the diversity of practices among local schools, has not always been useful. In addition, audits conducted in the late 1970s revealed that some data were missing or inaccurate. 40/

Funds for other coordination contracts and grants have been used for a wide variety of projects. Among other things, support has been provided for staff training, resource centers, and programs for special education, career and vocational education, bilingual education, health education, child abuse prevention and education, and dropouts. With one exception, only grants were awarded with funds appropriated in fiscal years 1980 through 1985 (in addition to grants, one contract was awarded with fiscal year 1985 funds). Only contracts were awarded with funds appropriated in fiscal year 1986, consistent with the changes made by P.L. 99-159. Twenty States and the District of Columbia have received assistance, though 60 percent of the funds appropriated through fiscal year 1985 went to four States: New York (32 percent), Pennsylvania (14 percent) California (8 percent), and Indiana (6 percent). Texas, which has the second largest number of migrant students, did not receive any contracts or grants. 41/

40/ The Inspector General conducted audit reviews of the implementation of the Migrant Student Record Transfer System in a number of States during this period. For examples of data problems, see especially the reviews for California (audit control number 09-10001), Texas (06-19556), and Virginia (03-19550). It is not known whether such problems were serious or still exist. The Research Triangle Institute study of the ESEA migrant education program found that the Migrant Student Record Transfer System's full-time equivalent student counts for 1977 were somewhat low, but since the undercount was fairly uniform across the regions, it concluded that "the MSRTS provided an adequate and equitable source of data for allocation of Migrant Education Program funds to the States." C. Andrew Clayton et. al., Validation of Student Counts Used to Allocate Funds for the ESEA Title I Migrant Education Program. Research Triangle Institute report no. 1235/42-50F. November, 1980. p. 75.

41/ Source: Department of Education data.

There has not been an independent evaluation of the coordination grants that were awarded prior to 1986. Policy Studies Associates currently has a small contract from the Office of Planning, Budget, and Evaluation to review the coordination program.

SOURCES OF ADDITIONAL INFORMATION

U.S. Library of Congress: Congressional Research Service. The College Assistance Migrant Program and the Migrant High School Equivalency Program, by Bob Lyke [Washington] 1986. Report no. 86-749 EPW

----- Migrant and Seasonal Farmworkers: Characteristics and Related Federal Laws, coordinated by Sharon House [Washington] 1983. Report no. 83-174 EPW.

----- Parent Participation Requirements in the Chapter 1 Migrant Education State Grant Program by Bob Lyke [Washington] 1986. Report no. 86-609 EPW.

----- Proposed Changes in Federal Programs for Migrant Children, by Bob Lyke [Washington] 1983. CRS report.

IV. STATE AGENCY PROGRAMS FOR HANDICAPPED CHILDREN UNDER CHAPTER 1, EDUCATION CONSOLIDATION AND IMPROVEMENT ACT

SUMMARY OF PROGRAM PURPOSE AND STRUCTURE

Chapter 1 of the Education Consolidation and Improvement Act (ECIA) authorizes Federal formula grants to States for the education of those handicapped children for whom State agencies are directly responsible. Section 554(a)(2)(B) of chapter 1 incorporates by reference part B, subpart 2 of title I of the Elementary and Secondary Education Act (ESEA), which includes the authorizing language for the grants. 1/ P.L. 89-313 first authorized the State agency handicapped grants, and the program is still commonly referred to as the "P.L. 89-313 Program."

The original purpose of the chapter 1 State agency handicapped program was to extend Federal assistance for the educationally deprived to handicapped children in State schools. Only a State agency directly responsible for providing educational services to handicapped children is eligible for the chapter 1 assistance, although funds may be passed through to local school districts on behalf of children transferred from State to local schools; the assistance may only be used by these agencies to support programs or projects to meet the special education needs of handicapped children.

1/ 20 U.S.C. 2771-2772.

Handicapped children who would be likely to be served under the chapter 1 State agency program may be in State-operated or supported schools, either providing full-time programs of residential care, or part-time educational services to handicapped children. State schools might be in hospitals or institutions for the mentally handicapped, the blind, or multihandicapped, for example. Chapter 1 support is also available to children served by community-based centers or hospitals, and for homebound children under State care. Handicapped preschoolers are often served under the chapter 1 program when it is not mandatory for local educational agencies to provide special education services for this age group; also handicapped youth "aging out" of the public school system may be served in transition programs with the funds. Finally, since 1975 chapter 1 assistance has been available to local educational agencies serving children who had previously been in a State-operated program.

The State agencies that receive chapter 1 assistance are those with direct responsibility under State law for educating the handicapped child. This commonly includes the State education agency, but it may additionally include State departments of Health, Mental Health, Public Welfare, or Vocational Rehabilitation Services. The type and number of State agencies receiving chapter 1 assistance will, therefore, vary by State.

Regardless of which State agencies receive chapter 1 assistance for handicapped children, the State educational agency (SEA) is responsible for the administration of the chapter 1 program. SEAs are required to have general supervision over all State programs concerning the education of handicapped children under a provision of P.L. 94-142, the Education For All Handicapped Children Act. 2/ In addition to disbursing chapter 1 funds, the SEA prepares

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2/ 20 U.S.C. 14122(6). Technically, this requirement only applies to States participating in the P.L. 94-142 State grant program. All States currently are participants.

the general application and program plan, which describes each State or local agency program or project that will receive funding, assists State and local agencies in reporting their child counts and ensures their accuracy, and ensures that all handicapped children served under the chapter 1 program receive special education according to SEA standards. 3/

All State agencies receiving chapter 1 assistance must prepare a project application to receive chapter 1 funds. Among the other responsibilities of these agencies is to consult with the SEA on the development, implementation, supervision, and evaluation of projects receiving assistance. 4/

Local educational agencies (LEAs) may be eligible for chapter 1 assistance to serve a handicapped child if the child was previously provided educational services under a State program, the child continues to receive an appropriately designed educational program, and the State agency transfers the funds that had initially been generated by the child in question to the LEA. 5/

States must use chapter 1 handicapped funds only for programs and projects designed to meet the special educational needs of handicapped children. Such funded activities may include the acquisition of equipment and, where necessary, the construction of school facilities.

The State agency receiving chapter 1 assistance must assure that each handicapped child counted by the agency for purposes of receiving assistance be provided with a program meeting his or her special education needs. 6/ Some, but not necessarily all, funds must be expended on the child generating the assistance to meet the child's needs. State agencies are prohibited from using

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3/ 34 C.F.R. 200.14; 34 C.F.R. 302.12-302.13.

4/ 34 C.F.R. 302.21, 302.23.

5/ 34 C.F.R. 302.31.

6/ 20 U.S.C. 2772.

chapter 1 assistance as their exclusive source of funds for educating handicapped children. Funds received under the program must supplement and not supplant funding that would otherwise be available for educational services for the handicapped from non-Federal sources, but there is no explicit requirement for non-Federal matching. Local educational agencies also must use chapter 1 funds only to supplement the appropriately designed special education programs that are otherwise provided by these agencies.

In addition to funding special education activities, chapter 1 handicapped program assistance may also be used to support "related services," or those developmental, corrective, and other support services that are necessary for the child to benefit from special education. Such services might include: speech pathology and audiology; psychological services; physical and occupational therapy; recreation; early identification and assessment of disabilities; counseling; medical services for diagnosis and evaluation; and, under limited circumstances, transportation. 7/

Parents of children served with chapter 1 assistance may not be charged for special education and related services for their children nor for room, board, or non-medical care in a residential facility in which their child is placed for education purposes.

LEGISLATIVE HISTORY

P.L. 89-313, enacted November 1, 1965, amended title I of the ESEA (P.L. 89-10) to first authorize the State agency handicapped program. Previously, the ESEA had authorized handicapped children living in low-income areas to participate, along with other "educationally disadvantaged" children, in title

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7/ Regulations define "related services" as those defined for P.L. 94-142 under 34 C.F.R. 300.13.

I assisted projects in local schools. For the several hundred thousand handicapped children in State schools who were receiving little or no formal education, however, participation was not possible because State agencies were ineligible for title I assistance. Congress enacted the State agency handicapped program in P.L. 89-313 to resolve this situation, and to promote the education of the handicapped under State programs. Under the original legislation, States were eligible to receive up to 50 percent of their average per pupil expenditure times the number of children handicapped in average daily attendance.

Two laws amended the State agency program in the late 1960s, generally with regard to funding. P.L. 89-750, the Education Amendments of 1966, adjusted the maximum payment to authorize funding of up to 50 percent of either the State or national average per pupil expenditure (APPE), whichever was greater, rather than the original standard of using the State APPE only. 8/ The Education Amendments of 1968, P.L. 90-247, required full funding for the State agency handicapped program and the other two ESEA State agency programs (Migrants, and Neglected and Delinquent Children), with reduced funding for the other title I programs, when appropriations were insufficient to fully fund all activities. 9/

In April 1970, P.L. 91-230 extended State agency handicapped program eligibility to State agencies contracting with other public or private agencies for services. 10/

The Education Amendments of 1974, P.L. 93-380, revised and extended title I provisions for the State handicapped and other State agency programs. These

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8/ Public Law 89-750, Sec. 105.

9/ Public Law 90-247, Sec. 107.

10/ Public Law 91-230, Sec. 105.

amendments stipulated that State agencies receiving the handicapped program grants had to assure that each child counted for entitlement purposes would be provided with an educational program designed to meet his or her special education needs. They also authorized local educational agencies to be eligible for assistance when they provided appropriate educational services by arrangement with a State agency.

The 1974 amendments also revised the formula used to allocate handicapped program funds. Effective fiscal year 1975, the percentage of the APPE decreased from 50 to 40 percent, and the APPE component was changed to the State APPE with a floor of 80 percent and a ceiling of 120 percent of the national APPE. Other provisions of the 1974 amendments changed the maximum payment calculation for Puerto Rico and the Outlying Areas. Finally, the amendments included a "hold harmless" provision under which no State agency would receive less Federal aid for its handicapped program than it received the previous fiscal year. 11/

In April 1976, the Fiscal Year Adjustment Act (P.L. 94-273) changed the APPE "base year" for the State agency handicapped and other title I programs to the third preceding fiscal year from the second preceding fiscal year. 12/

The Education Amendments of 1976, P.L. 94-482, amended the "hold harmless" provision added in 1974 to apply to the entire State allocation in contrast to allocations to each State agency--often more than one--serving handicapped children. 13/

11/ Public Law 93-380, Sec. 101(a)(2)(E).

12/ Public Law 94-273, Sec. 49(d).

13/ Public Law 94-482, Sec. 501.

The State agency handicapped program was extended for a year by P.L. 95-112, and was reauthorized through FY 1983 by P.L. 95-561, the Education Amendments of 1978. The 1978 amendments rewrote, but did not substantially revise, the program's provisions. Among the provisions that were changed was the hold harmless: effective FY 1979, a State's allocation could not be less than 85 percent of the prior year's allocation, the same "hold harmless" percentage as applied to title I LEA grants. Previous law had required 100 percent. 14/

The Education Consolidation and Improvement Act continued the State agency handicapped program through FY 1987 with no substantive change.

ALLOCATION FORMULA AND PROCESS

Chapter 1 authorizes grants to State education agencies based on entitlements under title I of the Elementary and Secondary Education Act as in effect on September 30, 1982, including those for the State agency handicapped program.

The maximum grant to a State agency under the handicapped program is determined each fiscal year by multiplying the number of handicapped children in average daily attendance in State-operated or supported schools by 40 percent of the State's average per pupil expenditure (APPE) for the third preceding fiscal year. The State APPE must be within the range of 80 percent to 120 percent of the national APPE for the same fiscal year. A separate formula applies to Puerto Rico. The maximum grant for the outlying areas may not exceed 1 percent of the amount appropriated for the State grant program for

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14/ Public Law 95-561, Sec. 101(a).

that year, and the Secretary of Education allocates funds among these areas according to their respective needs. 15/

Handicapped program grants to States must be at least 85 percent of their previous year's allocation. Section 193 of title I provides that the State agency programs, including the handicapped program, receive appropriations at the maximum authorized level, with the remainder of the appropriation being available for the local agency programs. Since 1980, however, this provision has been superceded by annual appropriations legislation establishing funding levels specifically for the State agency programs at less than full entitlement levels.

Annually, appropriations for the State agency handicapped program are included in the appropriation for the entire Chapter 1 of the ECIA. The program has been "forward-funded" since fiscal year 1975, which means program funds are made available July 1 of the appropriation year and remain available through September 30 of the subsequent year.

PROGRAM FUNDING HISTORY

Appropriations legislation from FY 1968 through FY 1979 provided funding for the State agency handicapped program at the maximum authorized level. For all other program years, appropriations have been less than the full funding levels.

Funding for the handicapped program increased from an appropriation of $15.9 million in FY 1966 to $150.2 million in FY 1987. Over its existence, the program has received aggregate funding in excess of $2.2 billion.

15/ For the purposes of the chapter 1 handicapped program, the outlying areas currently include Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific.

Table 1 shows the funding history for the State agency handicapped program with annual percentage changes in current and estimated constant dollars. Appropriations legislation for FY 1975 initiated advance funding for title I programs, and thereby included appropriations for two program years, 1975 and 1976, which accounts for the two entries for FY 1975.

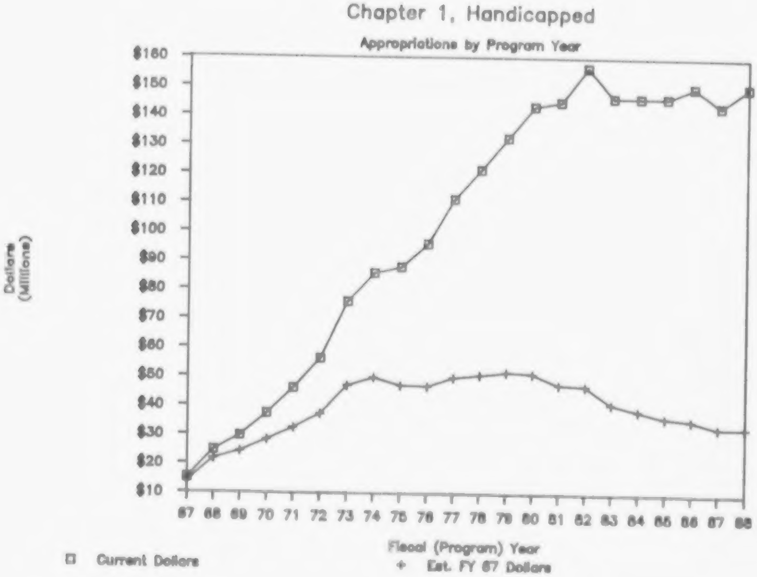
Despite a considerable rise in appropriations for the State agency handicapped program since FY 1966, the estimated constant dollar value has only about doubled over 22 years. Funding for the State agency handicapped program grew in terms of current and constant dollars between FY 1967 and FY 1974. Modest increases in current dollars for program years 1975 and 1976 were decreases when adjusted for inflation. Since program year 1980, appropriations have remained fairly stable, but when viewed in terms of constant dollars, funding has decreased annually, except for a marginal increase for fiscal year 1987. Over the life of the program, appropriations after adjusting for price inflation increased by 110 percent.

Aid To State Agencies For The Education Of Handicapped Children Under Title I Of The Elementary And Secondary Education Act Of 1965/ Chapter 1 Of The Education Consolidation And Improvement Act Of 1981 Appropriations History For Fiscal Years 1966-1987 In Current And Estimated Constant Dollars, In Terms Of Appropriations (Budget Authority)

Fiscal Year	Handicapped Appropriation (in thousands of current dollars)	Percentage Change From Previous Year (current dollars)	Percentage Change From Previous Year (constant dollars)
1966	$15,917		
1967	$15,078	-5.3%	-11.3%
1968	$24,747	64.1%	53.9%
1969	$29,781	20.3%	12.6%
1970	$37,476	25.8%	16.4%
1971	$46,130	23.1%	14.3%
1972	$56,381	22.2%	15.1%
1973	$75,962	34.7%	25.9%
1974	$85,778	12.9%	6.0%
1975 (for 1975)	$87,864	2.4%	-5.6%
1975 (for 1976)	$95,869	9.1%	-0.5%
1976 (for 1977)	$111,433	16.2%	6.5%
1977 (for 1978)	$121,591	9.1%	2.0%
1978 (for 1979)	$132,492	9.0%	1.7%
1979 (for 1980)	$143,353	8.2%	-0.9%
1980 (for 1981)	$145,000	1.1%	-7.4%
1981 (for 1982)	$156,761	8.1%	-0.8%
1982 (for 1983)	$146,520	-6.5%	-12.9%
1983 (for 1984)	$146,520	0.0%	-5.5%
1984 (for 1985)	$146,520	0.0%	-5.8%
1985 (for 1986)	$150,170	2.5%	-2.4%
1986 (for 1987)	$143,713	-4.3%	-7.0%
1987 (for 1988)	$150,170	4.5%	0.4%
Net change, 1966 to 1987 (for 1988)		843.5%	109.7%

Note: The price index used is the (fixed-weight) deflator for State and local government purchases of services, received from the Bureau of Economic Analysis, Department of Commerce, on Aug. 19,1986. For fiscal year 1986, the index is based on data for the first 3 quarters of the year only. Also, for fiscal years 1987 and 1988, the index is estimated on the basis of Congressional Budget Office projections of the rate of increase in the overall Gross National Product deflator (published in Aug. 1986).

The graphic depiction of the handicapped program's funding history in terms of current and constant dollars also indicates the impact of inflation on program growth. In current dollars, program funding increased steadily to its peak in 1981, and has since leveled off at about $140-$150 million per year; in constant 1966 dollars, the program leveled off in FY 1973 at about $50 million and began a gradual decline in FY 1983 to about $35 million for program year 1988.


Chapter 1, Handicapped
Appropriations by Program Year
$160
$150
$140
$130
$120
$110
$100
$90
$80
$70
$60
$50
$40
$30
$20
$10
Dollars (Millions)
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
Fiscal (Program) Year
□ Current Dollars
+ Est. FY 87 Dollars

Major factors influencing the increases in appropriations for the State agency handicapped program were increases in the major components of the maximum payment formula: child counts and the average per pupil expenditures (APPEs). The number of children served under the program has quadrupled since its inception, and the APPE has gone from approximately $460 in FY 1966 to over $3,000 currently. A third factor that had a more uneven influence on program growth was statutory changes in the entitlement formula, such as changing the APPE standard in 1968 to the greater of the national or State APPE, lowering the percent of APPE, etc. The decreasing rate of program growth in recent years is directly attributable to legislation setting appropriations at less than full entitlement levels.

PARTICIPATION LEVEL AND TRENDS

The number of handicapped children counted for entitlements under the chapter 1 State agency handicapped program increased from 65,440 for 1966 to 251,116 for fiscal year 1986 funds.

Table 2 indicates annual increases in the number of handicapped children served from 1966 through 1978. Over this 13-year period the child count nearly quadrupled. Since 1980, the numbers of children served has leveled off to between 240 and 250 thousand.

Table 2 also shows the relative effects of the increases in the child counts on the annual level of assistance per child. Despite the large percent increase in appropriations for the chapter 1 handicapped program since 1966, rising child counts have resulted in only a 135 percent increase in the per child payment to States. Since fiscal year 1981, per child assistance has been decreasing to the current level of $572. Adjusting for price inflation over the period of FY 1966-FY 1986, the estimated constant dollar payment per child has declined, from $243 in FY 1966 to $136 (estimated at FY 1966 price levels) in FY 1986, a decline of 44 percent.

TABLE 2. Children Counted for Payments Under the State Program for the Education of Handicapped Children: Program Years 1966 through 1987 a/

Fiscal year	Children counted for enrollment	Average assistance per child (in current dollars)
1966	65,440	$243
1967	82,797	182
1968	87,389	283
1969	96,499	309
1970	110,531	339
1971	121,568	379
1972	131,831	428
1973	157,997	481
1974	166,415	515
1975	178,763	(*)
1976	188,078	592
1977	201,429	604
1978	223,804	592
1979	225,660	635
1980	233,744	620
1981	243,708	626
1982	242,616	604
1983	245,785	596
1984	247,119	593
1985	249,656	587
1986	251,116	572

a/ U.S. Office of Education, Bureau of Education for the Handicapped (1966-1979); U.S. Department of Education, Office of Special Education Programs (1980-1987).

* The appropriation for fiscal year 1975 was for use in program year 1975 and 1976, because that year the program became forward-funded, which it has remained since. The 2-year per child allocation was $1,028. Thereafter, the appropriations for the fiscal years after 1975 were available for expenditure the following program year (i.e., the 1986 appropriation will be available for use during program year 1987).

The primary reason for the growth in the handicapped population in the 1960s and 1970s was the extension of educational services to a previously unserved population. Statutory changes in 1970 and 1974 added contracting schools and local educational agencies as eligible program participants, opening a new pool of children to be served.

In the 1970s, P.L. 94-142, The Education for All Handicapped Children Act, mandated that handicapped children receive their education in the "least restrictive environment." This, in conjunction with State legislation and judicial decisions led to new emphasis on deinstitutionalization of handicapped children. State agency handicapped program statistics reflect this trend: in 1966, 99 percent of handicapped children under State care were served in residential facilities or programs; by 1979, the majority of such children were served in day programs.

Children served under the State agency handicapped program tend to have some of the more serious handicapping conditions, when compared to handicapped children served by local educational agencies under the P.L. 94-142 State grant program. Table 3 indicates that during school year 1984-1985, about 6 percent of handicapped children served under the ECIA or P.L. 94-142 programs were served under the ECIA. When the proportion served under chapter 1 by disability is considered, however, greater than 10 percent of children are served under chapter 1 in all but the categories of learning disabled and speech impaired. These categories tend on average, but not always, to be milder and more easily remediable conditions than deafness, blindness, deaf-blindness, or a multihandicapping condition.

TABLE 3. Percentage of Handicapped Children Served Under the Chapter 1 State Agency Program of Total Served Under Chapter 1 and P.L. 94-142 Program by Disability: School Year 1984-85

Disability	Total children served chapter 1 and P.L. 94-142 (combined)	Percent served chapter 1
Learning disabled	1,839,292	1.3%
Speech impaired	1,129,417	1.7
Mentally retarded	717,785	13.3
Emotionally disturbed	373,287	11.5
Hard of hearing/deaf	71,230	32.5
Multihandicapped	71,780	24.7
Orthopedically impaired	58,835	19.2
Other health impaired	69,118	10.5
Visually handicapped	30,375	31.7
Deaf-blind	1,992	50.5
Total	4,363,031	5.7

Source: U.S. Department of Education. Eighth Annual Report to Congress on the Implementation of the Education of the Handicapped Act. Washington, U.S. Govt. Print. Off., 1986.

SYNTHESIS OF EVALUATION FINDINGS

No recent comprehensive evaluation of the State agency handicapped program is available. Several reports produced in the late 1970s have provided some insights into program operations and service delivery at that time: a 1977 study by the staff of the House Committee on Education and Labor; 16/ a 1978 General Accounting Office report; 17/ and a 1979 evaluation by a private contractor, the Rehab Group, Incorporated. 18/

Early in 1986, Research and Evaluation Associates, under contract with the Department of Education, reported factors associated with high and low use of chapter 1 handicapped funding in nine States. This study was exploratory and descriptive in nature, and the contractor provided no analysis of the findings. An aspect of this study, however, was to identify the information that would be needed to conduct a national evaluation of the chapter 1 handicapped program, which the Department of Education's Office of Planning, Budget and Evaluation intends to sponsor in the near future. 19/

Given the limited nature of evaluative information on the chapter 1 State agency handicapped program, the following are some observations on pertinent evaluation questions.

16/ LaVor, Martin. Public Law 89-313--Past, Present, and Future: A Review of the Law and the Program. Cited in U.S. Congress. House. Committee on Education and Labor. Subcommittee on Elementary, Secondary, and Vocational Education. Part 14: Title I--State Handicapped Program. Hearings, 95th Congress, 1st session. Oct. 4, 1977. Washington, U.S. Govt. Print. Off. p. 156-414.

17/ U.S. General Accounting Office. Federal Direction Needed for Educating Handicapped Children in State Schools. Washington, 1978. 65 pp.

18/ Rehab Group Inc. Assessment of educational programs in State-supported and State-operated schools final report. Falls Church, Va., Sept. 20, 1979. 150 pp.

19/ Research and Evaluation Associates. Final report: Factors associated with high and low use of the chapter 1 grant program for the handicapped (P.L. 89-313) in nine States. March 31, 1986. Chapel Hill, N.C., Research and Evaluation Associates, 1986. 217 pp.

Is the Target Population Being Served?

Under the State agency handicapped program, the "target population" is handicapped children, as defined under the Education of the Handicapped Act but with no age limit specified, for whom a State agency is directly responsible. Arguably, the target population ages 6 through 17 years is being fully served because of requirements of Federal and State laws, but such services may not necessarily be funded under the State agency handicapped program.

Since 1977, States participating in the State grant program established under provisions of the Education for all Handicapped Children Act, P.L. 94-142, have been required to provide all handicapped children between the ages of 6 through 17 years a free appropriate public education regardless of whether or not a State or local agency is "responsible" for the child. P.L. 94-142 also requires States to serve for 3 through 5 year olds and 18 through 21 year olds unless it is contrary to State law, or practice or the order of any court. The right of school-aged handicapped children to educational services is also guaranteed under section 504 of the Rehabilitation Act, as well as confirmed under various State and Federal court rulings. 20/

In the House Education and Labor staff study, the author, Dr. Martin Lavor, concluded that the State agency handicapped program, in its early years, had "made a difference" in the provision of educational services for the handicapped in State schools. Participant data made this conclusion obvious because educational services for the handicapped in State residential facilities were

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20/ For further information, see U.S. Library of Congress. Congressional Research Service. The Education for All Handicapped Children Act: an overview of major legal issues, by Nancy Jones. Nov. 27, 1986, 50 p. and Nancy L. Jones. Educational Rights of Handicapped Children, Harvard Journal on Legislation, v. 19, 1982: 287+.

virtually non-existent prior to P.L. 89-313. Dr. LaVor noted, however, that limited program data would make any future program evaluations difficult. 21/

In the evolution of the State agency program, the question of "State responsibility" for a handicapped child and, therefore, the identification of a "target population," has become more and more confusing. In 1966, when the State agency program began, eligible children were characteristically those in State-operated residential schools. With the advent of deinstitutionalization in the 1970s, however, States began to increasingly serve handicapped children in local communities under State sponsorship. In 1975, States became authorized to transfer State agency handicapped program funding to local school districts when handicapped children formerly under their charge left State care. Then in 1977, P.L. 94-142 became effective, requiring handicapped children to be educated in the "least restrictive environment," which was often regular elementary and secondary schools, further promoting local rather than State care for the handicapped.

As previously mentioned, today chapter 1 handicapped program support is used for a variety of purposes in a wide range of settings, primarily dependent upon State law concerning State agency versus local responsiblity for the education of the handicapped. This was a particular conclusion of the 1986 report by Research and Evaluation Associates, which divided currently operating chapter 1 programs into "traditional" and "nontraditional." It defined traditional programs as those in residential institutions and State schools for handicapped children. Nontraditional programs included early intervention and preschool programs for the handicapped in those States where such programs were not mandatory for local school districts. Other nontraditional programs included State-run private community-based schools for the handicapped; intermediate

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21/ LaVor, p. 165.

school districts coordinating services for low-incidence or hard-to-serve students; statewide services for particular handicapped children, such as the deaf or blind; and transition services for those handicapped youth who are leaving special education for school, work or independent living. 22/ To summarize, in the nine States surveyed, P.L. 89-313 money appears to be used for a wide range of activities that may be interpreted as essentially "State-operated."

As the programming under the chapter 1 State agency handicapped program becomes more innovative, or "nontraditional," a major question is whether the population of handicapped children intended to be served by the program are still being served. Are those children to whom funding was originally directed now largely an anachronism? Which handicapped children should be served under P.L. 89-313 and which under P.L. 94-142? Should P.L. 89-313 specifically fund programs for handicapped children outside the age ranges for which P.L. 94-142 requires service or supplement P.L. 94-142 in other ways?

Are the Program Objectives Being Met?

Closely related to the issue presented above about the changing nature of education for the handicapped since 1966 is the question of the objectives of the chapter 1 program for the handicapped. Arguably, the original objective of the State agency handicapped program has been met; a question remains, what are the current objectives of the program?

The primary objective of the State agency handicapped program was to provide Federal aid to promote the education of those children who were ineligible for Federal title I ESEA assistance because they were in State institutions.

22/ Research and Evaluation Associates, p. 85.

This objective appears to have been met with the advent of P.L. 94-142. That law requires all school-age children identified as handicapped in a State to be served in special education programs. Furthermore, children counted as handicapped under P.L. 94-142 draw Federal aid to the State, regardless of where they are served, as long as such service is under public sponsorship (i.e., as long as the State or local school district determines the placement and pays the costs). The only restriction is that children counted for purposes of chapter 1 funding may not also be counted for purposes of P.L. 94-142 funding. It is notable, however, that the State receives about twice as much Federal aid under the chapter 1 program as under the P.L. 94-142 program (in FY 1986, $572 versus $283).

Confusion over the uses of State agency handicapped funding was evident in the studies of the program conducted in the 1970s as well as the 1986 study mentioned in the previous section. Dr. Lavor found no "[c]ommon thread to describe specifically what the P.L. 89-313 money is used for. The money is used in every conceivable manner for what are described as 'educational purposes.' . . . [I]t is impossible to separate our educational costs for children in State supported and operated schools and other residential and institutional costs." 23/

In late 1979, the Rehab Group also concluded in its report on the State agency handicapped program that standards for the program and uses of funds needed to be clarified. 24/

23/ Lavor, p. 165.

24/ Rehab Group, Inc., p. 136-142.

How Well is the Program Being Administered?

Both the GAO and Rehab Group studies were critical of the administration of the State agency handicapped program. GAO concluded that there had been two major consequences of continuing the State agency handicapped program in title I: the Federal administration of the program had been fragmented, limited and complicated; and that the program's visibility for congressional review and analysis had been "severely restricted." GAO recommended that Congress transfer the program to the Education of the Handicapped Act to facilitate the unification of program administration and to increase the program's legislative visibility.

In response to the GAO recommendation, the then-Department of Health, Education, and Welfare amended regulations to require that State handicapped program funds be used for " special education needs" only, and transferred the administration of the program to the Bureau for the Education of the Handicapped (now the Office of Special Education Programs).

The Rehab Group's observations on program administration were largely confined to the State level. It found that State educational agencies had placed greater emphasis on special education between 1973 and 1978; that States had developed procedures for monitoring compliance and enrollment counts under the State agency handicapped program; that State agencies could verify enrollment counts; and that State agencies had difficulty implementing the transfer provision and identifying appropriate uses of funds. As far as the Federal level was concerned, the Rehab Group also concluded that the State agency program should be transferred from the ESEA title I legislation, but to a separate program for which the Bureau of the Education for the Handicapped would be responsible. The Rehab Group had found that State agencies thought that consolidation of the program within the Education of the Handicapped Act would decrease program funds and curtail services to children currently being served under the P.L. 89-313 program.

ADDITIONAL ISSUES

The lack of a comprehensive evaluation of the Chapter 1 State Agency Handicapped Program is a liability to assessing the most appropriate direction for reauthorization during the 100th Congress. As is apparent from the Research and Evaluation Associates review of program characteristics in only nine States, there is considerable variation in the number and types of children served under the program, the types of services provided, and the uses of funds. A major question is whether this flexibility presents a problem, or whether it may be the most effective use of this type of Federal aid. A national evaluation would provide an important tool in answering this question.

The fundamental question concerning P.L. 89-313 is whether the program continues to serve a purpose in light of the significantly higher aggregate funding for and mandates under P.L. 94-142. Arguably the service population and objectives of the P.L. 89-313 program, basically unchanged since 1966, should be reexamined and the relationship between this program and that under P.L. 94-142 should be clarified.

Some perceive the clarification of the mission of the P.L. 89-313 program to be necessary because of the large differences in allocations per child to States under the P.L. 89-313 and P.L. 94-142 programs. Department of Education annual child count statistics for the two programs show considerable variation among States in the proportion of handicapped children counted under P.L. 89-313--Alaska counts over 25 percent of its handicapped population under P.L. 89-313 but California counts less than 1 percent. Since States receive twice as much per child for P.L. 89-313 children, some have questioned whether this an equitable distribution of the Federal dollar. The Research and Evaluation Associates study found the "high-use" States in their survey tended to have more "nontraditional" programming funded with P.L. 89-313 dollars. Are such programs appropriately funded under P.L. 89-313? As long as the criteria for funding under P.L. 89-313 remain unclear, there may at least be the appearance that some States may be misclassifying programs as P.L. 89-313 activities when they could appropriately be funded under P.L. 94-142.

An issue Congress might address during reauthorization would be the continued use of the chapter 1 State agency handicapped program for infant and preschool programs in light of new legislation enacted in October 1986, which will be implemented over the next few years. Currently, handicapped preschoolers are served under the chapter 1 handicapped program by some States in which State law does not require local educational agencies to provide such service. Because the LEAs are not directly responsible for the education of such children, the States claim, these preschoolers are under "State" responsibility and therefore qualify for P.L. 89-313 funds. At the end of the 99th Congress, P.L. 99-457 amended the Education of the Handicapped Act to significantly expand Federal aid to handicapped preschoolers under two programs: an expanded preschool grant program for children ages 3 through 5 years; and a new formula grant program for the development of early intervention systems for handicapped children between birth and age 2.

The P.L. 99-457 preschool grant program would require participating States, through local school districts, to serve all handicapped children in the age group 3 through 5 under the P.L. 94-142 mandates, ostensibly making many of these children ineligible for P.L. 89-313 funding in the future. The only apparent exceptions would be those children in State schools or in programs operated directly by State agencies, who would remain eligible for

P.L. 89-313. For P.L. 89-313 to remain available for local programs to generally serve 3 through 5 years olds, its eligibility standards may have to be changed. It could be argued, however, that the significantly increased authorization for grants to serve this age group under P.L. 99-457 points to the need for a redirection of the P.L. 89-313 funding to other handicapped children such as those 18 and above, or other groups in P.L. 89-313's service population.

P.L. 99-457 requires early intervention services to be made available to all handicapped children from birth by the State's fifth year of program participation, but a State agency would be the provider. Therefore, apparently P.L. 89-313 eligibility would not be affected for infants and toddlers. In fact, provisions of the new law require States to maintain expenditures for infants and toddlers from other State and Federal sources, which would be likely to include P.L. 89-313.

A question regarding the use of P.L. 89-313 for handicapped preschoolers is the applicability of the provision authorizing the transfer of P.L. 89-313 funds to LEAs. Does the higher P.L. 89-313 per child allocation follow each child served at the preschool level through their elementary and secondary education. If so, is this appropriate and/or desirable?

V. CHAPTER 1, EDUCATION CONSOLIDATION AND IMPROVEMENT ACT: GRANTS TO STATE AGENCIES FOR THE EDUCATION OF NEGLECTED AND DELINQUENT CHILDREN

SUMMARY OF PROGRAM PURPOSE AND STRUCTURE

Since the enactment of Public Law 89-750 in 1966, the title I/chapter 1 legislation has authorized grants to State agencies for the education of neglected and delinquent children. This program involves only those neglected and delinquent children and youth for whose education State agencies are responsible. Such children for whom education is provided by local educational agencies are included--both in terms of being counted in the allocation formula and eligibility for chapter 1 services--in the chapter 1 LEA basic grant program. Those served under the State agency program include children and youth residing in State-supported orphanages or similar institutions for neglected children, detention centers for juvenile delinquents, and--if under age 21--in adult correctional facilities. As with other chapter 1 programs, the State agency program for the neglected and delinquent is intended to provide supplementary educational services to these typically very disadvantaged groups of pupils.

BRIEF LEGISLATIVE HISTORY

Payments to State agencies for the education of neglected or delinquent children were first authorized under sec. 104(e) of the Elementary and Secondary Education Amendments of 1966 (P.L. 89-750). Concurrently, under sec. 104(a), children living in institutions for the neglected or delinquent for whose education State agencies are not directly responsible were added to the children counted for purposes of grant entitlement and allocation under the LEA grant program of ESEA title I.

For the State agency program, the maximum grant amount that a State would be eligible to receive was equal to the average daily attendance (over the course of a year) of children living in institutions for the neglected or delinquent for whose education a State agency was responsible, multiplied by 50 percent of the State average per pupil expenditure. The average daily attendance level of such children was to be determined by the U.S. Commissioner of Education for the most recent fiscal year for which satisfactory data were available. If appropriations should be insufficient to fund grants authorized under all provisions (LEA and State agency grants) of title I, the authorized payments under all programs would be ratably reduced to the level of available appropriations.

Grants received by State agencies under this program were to be used only for programs and projects (including the acquisition of equipment and construction of facilities where necessary) to meet the special educational needs of neglected or delinquent children. Title I grants to State agencies for neglected or delinquent children were first made for fiscal year 1967.

For the calculation of maximum grants under the State agency program, the payment rate was changed from the State average per pupil expenditure to the greater of State or National average per pupil expenditure under the Elementary and Secondary Education Act Amendments of 1967 (P.L. 90-247). This amendment brought the payment rate for this program into conformance with that for all other title I programs. Under sec. 107 of P.L. 90-247, the provisions for "adjustments where necessitated by appropriations" were amended. If, for any fiscal year, title I appropriations should be less than the amount necessary to fund all authorized maximum grants, the grants for the State agency programs (for neglected or delinquent, handicapped, and migratory children) would be funded at the full authorized level. All necessary reductions to balance authorized grants with available appropriations would be applied to title I grants to LEAs only. This provision remains essentially unchanged in sec. 193 of the ESEA, which is included by reference in the ECIA. However, in recent years appropriations for the State agency programs have been made at a level below the maximum amount authorized. [1]

The definition of "State" for purposes of the State agency program was amended, under sec. 104 of the Elementary and Secondary Education Amendments of 1970 (P.L. 91-230), to include the Outlying Areas (at that time, Puerto Rico, American Samoa, Guam, Virgin Islands, and the Trust Territory of the Pacific Islands).

Children living in institutions for the neglected or delinquent and attending schools operating under contract or other arrangement with a State agency, were added to those counted for purposes of grant entitlement under the State agency program (sec. 105(b) of P.L. 91-230). 2/

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[1] Under sec. 103 of P.L. 90-247, technical amendments were enacted to correct certain provisions for title I grants to LEAs on the basis of children living in institutions for the neglected or delinquent for whose education a State agency is not directly responsible. The primary change was to remove children living in institutions operated by the Federal Government from consideration for LEA grants.

Under the **Education Amendments** of 1972 (P.L. 92-318), youth under age 21 in adult correctional institutions were added to those living in institutions for neglected and delinquent children, for purposes of grant entitlement under the State agency program.

The payment rate for all title I State agency programs was substantially changed by the **Education Amendments** of 1974 (P.L. 93-380). Previously, the count of eligible children was multiplied by 50 percent of the greater of State or national average per pupil expenditure. Effective beginning in fiscal year 1975, the Federal percentage was changed from 50 percent to 40 percent; and the expenditure rate was changed to the State average per pupil expenditure, but with a minimum of 80 percent and a maximum of 120 percent of the National average per pupil expenditure. (For Puerto Rico, the 80 percent floor was not applied.) Up to 1 percent of the amount appropriated for each fiscal year for the 3 title I State agency programs (neglected or delinquent, handicapped, and migratory) was authorized to be appropriated for State agency programs in the Outlying Areas. Finally, it was provided that no State agency was to receive

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2/ Sec. 103 of P.L. 91-230 provided that if an LEA were unable or unwilling to provide for the special educational needs of children living in institutions for the neglected and delinquent (on behalf of whom State agencies were not receiving grants), then the LEA would transfer the portion of its title I LEA program grant that is based on the count of such children to the State or local public agency that does assume direct responsibility for the education of such children. In addition, the LEA grant program was amended with respect to children living in institutions for the neglected or delinquent, under sec. 103(b) of P.L. 91-230. It provided that for purposes of the LEA grant programs, all children living in correctional institutions would be considered to be living in institutions for delinquent children.

less than 100 percent of its previous year allocation under each of the title I State agency programs. 3/

The provisions regarding the "hold harmless" for title I State agency programs were changed, under sec. 501(b) of the Education Amendments of 1976 (P.L. 94-482), as follows: the 100 percent hold harmless would apply to total grants under each State agency program to each State, rather than to individual State agencies 4/; and Puerto Rico was no longer excepted from the hold harmless provision.

Under the Education Amendments of 1978 (P.L. 95-561), ESEA title I was substantially rewritten and its authorization extended through fiscal year 1983. Two major amendments were made to the State agency program for the neglected or delinquent. First, the funding "hold harmless" percentage was reduced from 100 to 85 percent of the previous year's grant to a State.

Second, a new program of transition services for the neglected or delinquent was authorized, at a funding level equal to 5 percent of the amount appropriated for grants under the existing neglected/delinquent program. Funds

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3/ Regarding neglected or delinquent children counted for eligibility for LEA program grants under ESEA title I, two changes were made in P.L. 93-380. First, children being supported in foster homes with public funds were explicitly added to those counted. Second, it was provided that the child count be based on data for the month of January of the preceding fiscal year; or, if the January data are not available by April 1 of such preceding fiscal year, eligibility for grants would be determined on the basis of the most recent available data.

4/ The distinction results from the fact that in many States, more than one State agency receives grants under one or more of the chapter 1 State agency programs. For example, in a single State, a State agency for corrections and a State education agency might receive grants (on behalf of different groups of children) under the chapter 1 State agency program for the neglected and delinquent. Under the P.L. 93-380 provisions, the "hold harmless" would be applied individually to each of these 2 agencies; under P.L. 94-482, the "hold harmless" is applied only to the total grant to the State under the chapter 1 State agency program for the neglected and delinquent.

have been provided for this new program in appropriations acts of fiscal years 1981 and 1982 only.

Title V of the Omnibus Budget Reconciliation Act of 1982 (OBRA, P.L. 97-35) contained the Education Consolidation and Improvement Act (ECIA). The ECIA extended the authorization for and modified the provisions of ESEA title I, to become chapter 1 of the new legislation. Under chapter 1, the State agency program for the neglected or delinquent has continued with fund entitlement provisions essentially unchanged (except for an overall appropriations cap on chapter 1 and its State agency programs for fiscal years 1982-84, provided elsewhere in OBRA), while provisions regarding program administration and use of funds have been simplified.

The only significant provision of the Education Consolidation and Improvement Act Technical Amendments Act of 1983 (P.L. 98-211) that affects the State agency program for neglected or delinquent is section 6 of P.L. 98-211. This section applies to all of the chapter 1 State agency programs a requirement that program funds be used to supplement, not supplant, non-Federal education funds. Previous to adoption of this amendment, this program was not covered by the "supplement, not supplant" provisions of ECIA chapter 1 (section 558(b)).

ALLOCATION FORMULA AND PROCESS

As with other chapter 1 State agency programs, maximum payments to States are determined by multiplying the cost factor 5/ by the number of pupils eligible to be served--in this case, those in institutions for the neglected and delinquent for whose education State agencies are responsible. There is a

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5/ The State average per pupil expenditure for the third preceding year, limited to be no less than 80 percent nor more than 120 percent of the National average; with special provisions for Puerto Rico.

"hold harmless" provision, requiring that grants to a State under this program be no less than 85 percent of those for the previous fiscal year. The authorizing legislation also provides that in years when the total appropriations for all chapter 1 programs are insufficient to pay the maximum grants, grants are first to be made at the full authorized level for this and the other State agency programs. However, since fiscal year 1981 (program year 1981-82), this provision has been overridden in the annual appropriations legislation, and actual appropriations have been less than the maximum authorized level. There are no legislative requirements for sub-State distribution of grants under this program.

There is a separate authorization for grants for transition services to children and youth who have recently been released from State institutions for the neglected and delinquent and transferred to LEA-operated programs (section 153 of ESEA title I, incorporated by reference into ECIA chapter 1). The maximum funding for these transition services is 5 percent of the aggregate level of grants to State agencies for the neglected and delinquent; however, funds have been appropriated for the transition services program only in fiscal years 1981 and 1982.

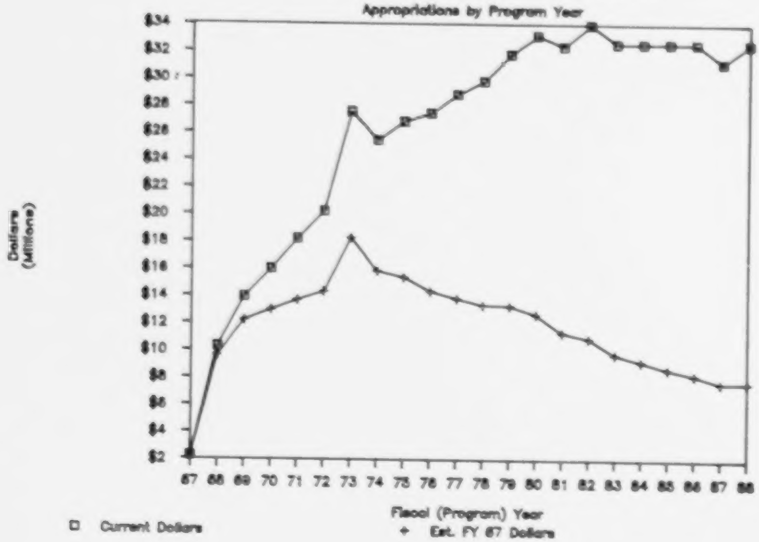
Aid To State Agencies For The Education Of Neglected And Delinquent Children, Under Title I Of The Elementary And Secondary Education Act Of 1965/ Chapter 1 Of The Education Consolidation And Improvement Act Of 1981, Appropriations History For Fiscal Years 1966-1987, In Current And Estimated Constant Dollars, In Terms Of Appropriations (Budget Authority)

Fiscal Year	Neglected/Delinquent Appropriation (in thousands of current dollars)	Percentage Change From Previous Year (current dollars)	Percentage Change From Previous Year (constant dollars)
1967	$2,262		
1968	$10,282	354.5%	326.1%
1969	$13,948	35.6%	26.9%
1970	$16,006	14.8%	6.2%
1971	$18,194	13.7%	5.5%
1972	$20,213	11.1%	4.6%
1973	$27,545	36.3%	27.4%
1974	$25,449	-7.6%	-13.3%
1975 (for 1975)	$26,821	5.4%	-2.9%
1975 (for 1976)	$27,459	2.4%	-6.6%
1976 (for 1977)	$28,841	5.0%	-3.8%
1977 (for 1978)	$29,821	3.4%	-3.4%
1978 (for 1979)	$31,820	6.7%	-0.4%
1979 (for 1980)	$33,182	4.3%	-4.5%
1980 (for 1981)	$32,392	-2.4%	-10.6%
1981 (for 1982)	$33,975	4.9%	-3.8%
1982 (for 1983)	$32,616	-4.0%	-10.5%
1983 (for 1984)	$32,616	0.0%	-5.5%
1984 (for 1985)	$32,616	0.0%	-5.6%
1985 (for 1986)	$32,616	0.0%	-4.8%
1986 (for 1987)	$31,214	-4.3%	-7.0%
1987 (for 1988)	$32,616	4.5%	0.4%
Net change, 1966 to 1987 (for 1988)		1341.8%	242.3%

Note: The price index used is the (fixed-weight) deflator for State and local government purchases of s received from the Bureau of Economic Analysis, Department of Commerce, on Aug. 19,1986. For fiscal 1986, the index is based on data for the first 3 quarters of the year only. Also, for fiscal years 1988, the index is estimated on the basis of Congressional Budget Office projections of the rate of in the overall Gross National Product deflator (published in Aug. 1986).

Chapter 1, Neglected or Delinquent

Appropriations by Program Year



PROGRAM FUNDING HISTORY

As indicated in the attached table and graph, funding for the chapter 1 State agency program for the neglected and delinquent has grown from $2,262,000 in FY 1967 to $32,616,000 in FY 1987 in current dollars--i.e., without adjustment for changes in price levels over this period. Even with adjustment of appropriations for changes in price level, funding for this program has increased by approximately 242 percent. However, much of this growth--in either current or estimated constant dollar terms--occurred in the first few years of this program's existence. In particular, the constant dollar appropriation level for this program reached its peak in FY 1973, and has fallen continuously since that time. Even without price level adjustment, the appropriations for each year since FY 1981 have fallen below the level for that year.

PARTICIPATION LEVEL AND TRENDS

States have been required to report the number of pupils served under this program only since the 1982-83 program year. 6/ Therefore, data are available only for that year plus 1983-84, as summarized below:

6/ Estimates of the number of pupils eligible for and receiving services under this program were calculated as of fall 1976, as part of a study conducted by the System Development Corporation. However, because these data were calculated for one time only, at a much earlier time and using different methods than used in compiling the data for 1982-83 and 1983-84, it would not be appropriate to compare the 1976 estimates to the more current data.

Number Of Pupils Served Under The ECIA Chapter 1
State Agency Program For The Neglected And
Delinquent, Program Years 1982-83 and 1983-84

Pupil Type	Number Served	
	1982-83	1983-84
Neglected	3,005	5,931
Delinquent	33,139	31,111
Adult Correctional	19,876	24,723
Total	56,020	61,765

Source: Synthesis of State Chapter 1 Data, Summary Report, prepared for the U.S. Department of Education by Advanced Technology, Inc., Sept. 1985, p. 11.

Given that comparable data are available only for two program years, it would be inappropriate to attribute much significance to the apparent trends (i.e., an increase of almost 100 percent in the neglected pupils served, and an increase of almost 25 percent in the pupils served in adult correctional institutions). As data become available for additional years, these counts may prove to fluctuate substantially from year to year, and one should not extrapolate these annual changes into predicted future increases. In addition, the reliability of these data has been questioned in a recent Department of Education-funded report, which recommends that the quality of these data be improved in the future. 7/ According to this study, the data from several States on participation in this program for 1982-83 and 1983-84 reflect internal inconsistencies, misidentification of eligible pupils with those

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7/ "An Analysis of ECIA Chapter 1 Programs for Neglected or Delinquent Children," by Ellen L. Marks, Policy Studies Associates, Inc., June 1986, 103 p.

actually receiving services, and mixing of participants from the State and LEA programs. At least partially as a result of these difficulties, on an individual State basis for 1983-84, the grants per participant were reported as ranging from $185 to $2,093, and the percentage of eligible youth served by the program were reported as ranging from 29 percent to well over 100 percent. Overall, for 1983-84, States reported that 74 percent of those eligible for this program were served.

Data are also available for 1982-83 and 1983-84 on the ages of participants in the neglected and delinquent program and on the types of services they have received under this program. In each year, it was reported that slightly more than one-half of all participants were aged 17-21, with most of these individuals in adult correctional facilities. This represents a distinct group of individuals who are older than those served under other chapter 1 (or other Federal elementary and secondary education) programs.

The data on services provided under this program are similar for both years. In 1983-84, 67 percent of participants received instruction in reading, 62 percent in mathematics, 18 percent in "language arts," and 11 percent in vocational education (with lesser percentages receiving instruction in other subjects). Finally, chapter 1 funds were used to provide guidance services to a reported 20 percent of participants in the neglected and delinquent program.

SYNTHESIS OF EVALUATION FINDINGS

Although the State agency grant program for the education of neglected or delinquent children has been authorized since 1966, there have been only two major evaluations, based on nationally representative samples of facilities and participants, of this program, the last of these having been completed in 1980. These evaluations were a General Accounting Office (GAO) study, "Reevaluation

Needed of Educational Assistance for Institutionalized Neglected or Delinquent Children" (HRD-78-11, December 19, 1977), and a report prepared for the Department of Education by System Development Corporation, "Compensatory Education and Confined Youth" (five volumes published between September 1977 and June 1980). Although somewhat dated, the latter of these studies particularly is quite thorough and substantial, and provides findings that are likely to be significantly relevant to current program operations. The GAO study was based on visits to 17 institutions in 4 States (California, Kansas, Pennsylvania, and Virginia), plus a mail survey of 562 of the 2,036 individual institutional directors. The System Development Corporation evaluation involved interviews with each State Administrator of this program plus visits to 100 institutions. The discussion below relies primarily upon the System Development Corporation (SDC) study, although reference will occasionally be made to the GAO report as well.

A third report on this program was more recently released (June 1986), but is descriptive only and is not based on a nationally representative sample of facilities or participants. This report, "An Analysis Of ECIA Chapter 1 State Programs For Neglected Or Delinquent Children," [8] by Ellen L. Marks, provides an overview of available information on this program, descriptive information based on visits to 3 facilities in each of 3 States and telephone surveys of 6 other States, and a discussion of issues and possible directions for further, more extensive, evaluation and research. This report does not provide an evaluation of program effects. The States and facilities studied were selected to include a wide range of program and State types, not to provide a representative sample of the facilities that participate in this program. 9/

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[8] Prepared under contract to the Department of Education by Ms. Marks of Policy Studies Associates, Inc. 103 p.

A. Is the Target Population Being Served?

Under this program, those eligible to be served are educationally disadvantaged youth under 21 years of age in institutions for the neglected or delinquent (including adult correctional institutions) for whose education State agencies (rather than local school districts) are directly responsible. Typical uses of program funds are for teacher or teacher aide salaries, instructional equipment, specially equipped classrooms, individual study carrels, etc. The SDC study found a high degree of educational disadvantage among virtually all youth in a representative sample of such institutions, with chapter 1 participants marginally more disadvantaged than the institutionalized population at large. It was found that while the average age of all institutionalized youth was 18 years and for chapter 1 participants was 16.5 years, the average educational achievement for all youth was at the 5th-6th grade level and that for chapter 1 participants was at the 4th and 5th grade level. Further, according to the GAO study, 43-49 percent of these institutionalized youth could be classified as handicapped as well as educationally disadvantaged. Clearly, the educational needs of these youth are great.

According to the SDC study, only about 52 percent of those eligible to be served under this program actually received such services. 10/ Those eligible who were least likely to receive services were in adult correctional

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9/ This will be referred to as the "Marks report" in the remainder of this section.

10/ As indicated above, the Marks report found that States reported serving 74 percent of those eligible. However, as also noted above, there are concerns about the quality of the data upon which this estimate was based.

institutions. Among reasons cited for less than complete participation by eligible youth were: the wide dispersion of youth among institutions, the high rate of student turnover (with short periods spent in most institutions by most youth), and a lack of sufficient funds.

Even for participating pupils, the level of services provided was found to be relatively small by SDC. The average period of institutionalization was 6 months, during which a typical title I/chapter 1 pupil would be scheduled for 3 hours of reading and 2.5 hours of mathematics instruction per week. Further, 44 percent of scheduled class time was found to be spent on non-instructional activities, as a result of schedule conflicts (e.g., counseling, disciplinary activities, work, etc.--57 percent of non-instructional time), disruptions (20 percent), and "student disengagement" (in-class discipline problems, lack of attention, etc.--23 percent). Thus, on the average, the actual amount of task-engaged instructional time for participating pupils was relatively small (a total of approximately 32 hours of reading and 26 hours of mathematics instruction) especially when compared to the educational disadvantages of these youth. In the GAO and SDC studies, it was found that younger students and students in institutions for the neglected are likely to participate in this program for relatively longer periods--because of longer average periods of institutionalization--than older or delinquent students.

According to the SDC study, services provided under chapter 1 differ from regular educational services in State institutions for the neglected and delinquent by being focused on basic reading and mathematics skills (rather than vocational education), emphasizing individual attention and frequent assessment of learning needs and progress, and implementing new techniques for education of the disadvantaged. It was found that the average institutional education budget consisted of 65 percent State funds, 25 percent chapter 1, and 9 percent other Federal funds. The average total (Federal plus State) amount spent per pupil per institutionalization was $1,358.

B. Are the Program Objectives Being Met?

The SDC study found no significant overall improvement in the measurable academic achievement of pupils in institutions for the neglected or delinquent, either chapter 1 participants or others. However, programs in several individual institutions were found to significantly improve academic achievement (as is discussed further below).

Reasons offered by the study's authors for the lack of positive program impact on achievement test scores include: high pupil turnover; short learning exposure time; large educational deficits to overcome; lack of institutional commitment to educational (as opposed to disciplinary or custodial) goals; lack of funding; and "restrictive" (or poorly understood) statutory or regulatory provisions. The Marks report suggests 2 additional reasons for the performance record of this program: the relative isolation (both geographic and bureaucratic) of the service providers; 11/ and communication and compliance problems that result from the lengthy and heterogeneous (i.e., involving both educational and corrections agencies) administrative hierarchy through which the programs are operated. In the Marks report, it was further indicated that little emphasis is placed on evaluation of program effects by facility instructors or administrators, due to: lack of staff training in evaluation methods; difficulty in administering post-tests when participants are

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11/ Institutions for the neglected and delinquent are frequently placed in rural or otherwise isolated locations. Also, these institutions are often not formally tied to local educational agencies or other "regular" providers of educational services.

frequently transferred or released with little notice; and a lack of requests for evaluation results by administrators at higher levels.

In contrast to test score results, chapter 1 programs were generally perceived to have positive effects by institutional administrators, who focused on the special nature of the services provided under chapter 1, and the influence of these on the entire educational program (e.g., greater emphasis on basic skills, regular needs assessment, individualization, etc.). Also, given the numerous and severe educational disadvantages of the population served under this program, and their relatively short average stay in these institutions, some might argue that high expectations for substantial achievement gains are unrealistic.

The more effective educational programs were found to share many of the following characteristics: greater task-engaged instructional time; low pupil-teacher ratio; heavy use of direct instruction rather than use of audio-visual equipment, programmed texts, or other instructional techniques lacking in direct pupil teacher engagement; low staff and pupil turnover; small size; and treatment, rather than custodial, institutional orientation. With respect to the latter, it was found that scheduling conflicts that reduced attendance in chapter 1 classes often could be greatly reduced by institutional staff if they had chosen to emphasize education rather than disciplinary or work-related activities.

A final possible measure of program effect--post-release experiences of participants--was also not positive. The SDC study found that while one-half of those released entered school immediately afterward, 80 percent of these had dropped out within 1 year. Only 13 percent of participants had earned high school diplomas or equivalency certificates when released. Within 6 months of release, 30-40 percent of participants had been arrested for further violations of the law, and one-half of these were again in institutions. Both the SDC and GAO studies were critical of a lack of transition services for those released from institutions for the neglected and delinquent. A special transition services program was authorized in the Education Amendments of 1978 (P.L. 95-561), but has been funded only in fiscal year 1981 and 1982 appropriations.

C. Is the Program Being Well Administered by the Department of Education (ED)?

Criticisms of National-level program administration or management made in the SDC or GAO studies may be divided into two categories: those related to legislative requirements (over which ED has little or no administrative discretion); and those dealing with administrative issues over which ED has discretionary authority.

Criticisms in the first category above include: "inadequate" funding and statutory restrictions (e.g., targeting on pupils most in need, limitation on use of funds to basic educational services, limitation to those under age 21, supplement--not supplant--requirement, etc.) that at least some administrators saw as inappropriate or unnecessary in a setting where virtually all youth are educationally disadvantaged and have a wide variety of serious educational, health, and social service needs. It might be noted that in some cases, due to misinterpretation of Federal regulations, or State regulations that were more restrictive than the Federal, title I's requirements were thought to be more restrictive than is actually the case.

More within the discretionary jurisdiction of ED are a recommendation in the GAO report that States be encouraged to focus limited funds on younger pupils and those likely to receive services for a longer time period (especially the neglected), and recommendations in the SDC report that information on program participation and effective programs be regularly collected and widely disseminated; that transition services be more often provided; and that recipient institutions place a higher priority on the provision of educational services.

As noted earlier, concern is expressed in the Marks report about the quality of program information, communication and compliance problems, and the relative isolation of service providers. The author of this report recommends that steps be taken to alleviate these problems, such as providing additional technical assistance, holding regular conferences, increasing monitoring activities by State education agencies and the Department of Education, and clarifying information requirements and standards.

[ADDITIONAL PROGRAM BACKGROUND INFORMATION AND ISSUES]

[No additional, relevant information is available.]

[SOURCES OF ADDITIONAL INFORMATION]

[There are no additional, relevant sources of information on this program.]

VI. EDUCATION BLOCK GRANT

SUMMARY OF PROGRAM PURPOSE AND STRUCTURE

The Federal education block grant program is authorized by chapter 2 of the Education Consolidation and Improvement Act of 1981, as amended (ECIA), and is administered by the U.S. Department of Education. The purpose of chapter 2 is to combine and consolidate more than 40 previously authorized elementary and secondary education programs into a single block grant to State educational agencies (SEAs) and local educational agencies (LEAs). SEAs and LEAs may use the funds for any combination of the activities authorized by the antecedent programs, according to the educational needs and priorities as determined by these agencies. Further purposes stated in the chapter 2 legislation include: (a) the improvement of elementary and secondary education of public and private school children; and (b) the reduction of administrative and paperwork burdens on schools. The education block grant became effective with the 1982-83 school year. The programs consolidated into chapter 2 represent 20 separate Fiscal Year (FY) 1981 appropriations.

Chapter 2 is currently authorized through FY 1987, at a level of "such sums as may be necessary." The FY 1987 appropriation is $529.3 million, of which $500 million is to be allocated by formula to the States and the remainder is for the Secretary's discretionary funds (P.L. 99-500).

The provisions of chapter 2 are grouped under three program subchapters--basic skills development, educational improvement and support services, and special projects--and two general subchapters--Secretary's discretionary funds and general provisions. From the appropriations for chapter 2 programs, funds are reserved for the Secretary's discretionary programs and for grants to the Outlying Areas; the remainder is for grants to States with federally approved State plans. Programs are carried out by both SEAs and LEAs. State plans must be submitted to the Secretary of Education, and contain specific assurances concerning the administration of the program and the allocation of funds to LEAs. States must establish advisory councils for chapter 2 programs.

The Secretary of Education is authorized under chapter 2 to make grants to support various discretionary activities, and the Secretary is required to reserve funds for 5 specific activities: the Inexpensive Book Distribution program, Arts in Education program, Alcohol and Drug Abuse Education program, Law-Related Education program, and the National Diffusion Network. Remaining funds available to the Secretary may be used to support various information, research, demonstration, teacher training, and assistance programs related to chapter 2. 1/

Chapter 1 of ECIA provides financial assistance to meet the special educational needs of disadvantaged children; it is discussed separately in this report. Chapter 3 of ECIA contains general provisions relating to chapter 1 and chapter 2; it is discussed only as it relates to the other two chapters.

1/ An amount not to exceed 6 percent of chapter 2 funds is authorized for the Secretary's discretionary funds. The amount actually reserved has always been specified in the appropriations acts; the range has been between 5.5 and 6 percent. Under the authorizing legislation, the Inexpensive Book Distribution program, an Arts in Education program, Alcohol and Drug Abuse Education programs must be supported (at a minimum) at their FY 1981 levels; the Law-Related Education program must be supported (at a minimum) at a level of $1 million; and the National Diffusion Network must be supported at not less than 34 percent of the total amount appropriated for the discretionary funds.

BRIEF LEGISLATIVE HISTORY

President Reagan, in his initial plans for Federal education programs, proposed a major consolidation of elementary and secondary programs in his announcement of "A Program for Economic Recovery" on February 18, 1981. As subsequently presented to the Congress, the Administration's proposal would have consolidated 44 existing programs, primarily for the education of the disadvantaged and the handicapped. Although similar in many ways to the final ECIA programs, there were substantial differences as well. The initial proposal by the Administration would have terminated the two largest Federal programs for elementary and secondary education (Compensatory Education for the Disadvantaged 2/ and the Education of the Handicapped Act) as well as the Adult Education Act; their activities would have been authorized under the proposed block grant. Under ECIA, programs for the disadvantaged were simplified under chapter 1 of ECIA, but were not consolidated with other programs. Programs for the handicapped and adults were not included in ECIA, and remained as separate authorizations. All requirements for maintenance of effort, supplementary use of funds, and advisory councils were to be terminated under the proposal by the Administration, but not under ECIA. Subcommittee hearings were held on the President's proposal--one day in the House and two days in the Senate. No further action was taken on the proposal.

P.L. 97-35, the Education Consolidation and Improvement Act of 1981 (subtitle D of title V), authorized chapter 2 of ECIA from FY 1982 through FY 1987,

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2/ The former Title I of the Elementary and Secondary Education Act of 1965.

as part of the Omnibus Budget Reconciliation Act of 1981. 3/ Chapter 2 grants are authorized for the same purposes as the programs antecedent to, and consolidated into, the block grant. As originally enacted, chapter 2 consolidated titles II through VI, VIII, and IX (except for part C, Women's Educational Equity Act) of the Elementary and Secondary Education Act of 1965 (ESEA), 4/ the Alcohol and Drug Abuse Education Act, Teacher Corps and Teacher Centers under the Higher Education Act of 1965, Precollege Science Teacher Training programs under the National Science Foundation Act of 1950, and the Career Education Incentive Act, and repealed the relevant statutory provisions of the antecedent programs, effective October 1, 1982. The Follow Through program, originally authorized under the Economic Opportunity Act of 1965 (P.L. 88-452), was consolidated into chapter 2, but on a "phased basis," with repeal of the prior legislative provisions originally scheduled for October 1, 1984. 5/ Chapter 2 authorized the use of block grant funds for training and advisory services under title IV of the Civil Rights Act, but did not repeal the prior legislation for these activities.

3/ ECIA provisions first received legislative scrutiny by the Senate Committee on Labor and Human Resources during a two-day markup session, which included all matters under its jurisdiction related to the FY 1982 budget reconciliation. The committee recommendations were sent to the Senate Committee on the Budget on June 10, 1981, and subsequently incorporated in the omnibus bill (S. 1377, 97th Congress). This measure was reported (S. Rept. 97-139) to the Senate on June 17; and passed the Senate, amended, and ordered held at the desk on June 25. A substantially similar version of ECIA was contained in a floor amendment to the House bill (H.R. 3982), which passed the House on June 26, without committee hearings. A conference report on H.R. 3982 (H. Rept. 97-208, July 29) was agreed to by House and Senate on July 31, and the bill was signed into law August 13, 1981.

4/ Title VII of ESEA, the Bilingual Education Act, was not consolidated into chapter 2.

5/ As discussed below, the Follow Through program has since been extended through FY 1990.

Both SEAs and LEAs are required by chapter 2 to submit applications before receiving funds. Each State is required to file an application for funds with the Secretary of Education; assurances are to be included concerning the SEA serving as the responsible State agency, establishment of a State advisory committee, the process to be used in allocating the SEA's share of the funds, dissemination of information, program evaluation, and formula provisions for allocating funds to LEAs. The LEA application is to be submitted to the SEA and is to indicate how funds will be distributed among the approved activities, ensure participation of private school children, and provide for systematic consultation with parents, school staff, and others deemed appropriate by local school officials. Consistent with the statements included in its application, each LEA is to have complete discretion in allocating funds among the authorized activities. Both SEA and LEA applications are to be for a period not to exceed 3 years, and may be amended annually without submitting a new application.

Chapter 2 originally specified that the Secretary's discretionary funds give first priority to 3 programs: (1) the Inexpensive Book Distribution program, as carried out through a sole source contract awarded to Reading is Fundamental, Inc., a private non-profit organization; (2) activities of national significance in the Arts in Education program; and (3) the Alcohol and Drug Abuse Education program. These programs are to be funded annually "at least in amounts necessary to sustain the activities" at the level of operations during FY 1981. The remainder of the Secretary's funds is to be used for activities related to chapter 2 purposes in: the collection and dissemination of information related to program effectiveness; research; training of teachers and other instructional personnel; and assistance to SEAs and LEAs in the implementation of chapter 2 programs.

The general provisions of chapter 2 require each State to maintain its expenditures for public education at a level of at least 90 percent of the preceding year. SEAs and LEAs are required to use chapter 2 funds only to supplement and not to supplant funds from non-Federal sources. Chapter 2 funds are to be used to provide for equitable participation in programs by children enrolled in private, nonprofit elementary and secondary schools. A bypass provision ensures chapter 2 services for such children if the State is prohibited by law from allowing private school children to participate in such programs, or if the Secretary of Education has determined that an SEA or LEA "has failed or is unwilling to provide for the participation on an equitable basis of children enrolled in private elementary or secondary schools."

Chapter 3 of ECIA requires that the Secretary of Education issue regulations relating to proper fiscal accounting for ECIA funds (both under chapter 1 and chapter 2), methods of allocating ECIA funds, and specific requirements and assurances required by ECIA. With regard to other matters relating to planning, developing, implementing, and evaluating programs and projects by SEAs and LEAs, the Secretary is prohibited from issuing regulations, but is to consult with, and upon request, provide technical assistance to, such agencies.

P.L. 97-313, amended chapter 2 by adding citizenship education to the list of activities authorized for funding at the option of State or local educational agencies.

P.L. 98-211, the Education Consolidation and Improvement Act Technical Amendments Act of 1983, made technical and clarifying amendments to ECIA. In particular, the authority of LEAs to determine use of funds without influence from the SEA was stated explicitly. Chapter 2 funds were allowed to be used through FY 1983 for the orderly transition from the antecedent programs to the block grant activities. The proportion of funds reserved for the Outlying

Areas was changed from "not to exceed 1 percent" to "1 percent." Audits of LEAs receiving less than $5,000 annually in chapter 2 funds were restricted to not more than once every 5 years. Reference to "nonpublic" school enrollment in the distribution of SEA funds to LEAs was changed to "private, nonprofit" school enrollment. State regulations regarding the administration and operation of ECIA programs must be identified as being a State imposed requirement. In general, the requirements of the General Education Provisions Act (GEPA) were made explicitly applicable to ECIA. (The incorporation of this provision into P.L. 98-211 followed the initial interpretation by the Secretary of Education that GEPA provisions did not generally apply to Chapter 2.)

The conference report related to P.L. 98-211 (H. Rept. 98-574, to accompany H.R. 1035) states the intent of the conferees regarding the chapter 2 allocation of funds by States to LEAs. It says that these distribution formulas "provide adjusted allocations to LEAs with only the greatest numbers or percentages of high cost children rather than allocations to LEAs with any number or percentage of such children." However, P.L. 98-211 did not amend the legislative provisions for the distribution of funds to LEAs.

P.L. 98-312, section 4(b), amended chapter 2 by requiring the mandatory funding of the Law Related Education program as a priority program among those authorized through the Secretary's discretionary funds. The minimum funding level for this program was established at $1 million annually.

P.L. 98-511, the Education Amendments of 1984, section 709, amended P.L. 98-211 to extend, until June 30, 1984, the period of time during which ECIA funds could be expended according to ECIA requirements in effect before or after the enactment of P.L. 98-211.

P.L. 98-558, the Human Services Reauthorization Act, title III, amended the Follow Through Act by extending its authorization for FY 1985 and FY 1986.

However, the chapter 2 authorization of Follow Through activities was not amended. Consequently, Follow Through activities remain included in the list of authorized activities for the expenditure of chapter 2 funds.

P.L. 99-425, the Human Services Reauthorization Act of 1986, title II, amended the Follow Through Act by extending its authorization for FY 1987 through FY 1990. However, the chapter 2 authorization of Follow Through activities was not amended.

P.L. 99-498, the Higher Education Amendments of 1986, section 1404, amended chapter 2 by requiring the mandatory funding of the National Diffusion Network as a priority program among those authorized through the Secretary's discretionary funds. The minimum funding level for this program was established at not less than 34 percent of the annual amount appropriated for the discretionary funds.

ALLOCATION FORMULA AND PROCESS

From the amount appropriated for chapter 2 programs, the Secretary of Education must set aside 1 percent for the Outlying Areas. 6/ Grants to these areas must be made by the Secretary "in accordance with their respective needs." The Secretary must reserve an additional amount, not to exceed 6 percent of the total, for the Secretary's discretionary funds. The remainder of the amount appropriated is allotted by formula to the States (the 50 States, the District of Columbia, and Puerto Rico).

Under the chapter 2 State allocation formula, the Secretary allots funds to each State in proportion to the number of school-aged population (defined as

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6/ These areas are specified in the legislation as Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands, and the Northern Mariana Islands).

persons five through 17 years of age), except that no State shall receive less than 0.5 percent of the total allocation. In the calculation of State allotments, the Secretary uses data from the Current Population Survey of the U.S. Bureau of the Census.

According to appropriation language, chapter 2 funds are made available for allocation to the States on July 1 of the fiscal year of the appropriation legislation, and remain available until September 30 of the following fiscal year.

Within each State, chapter 2 funds must be used according to the approved State plan. At least 80 percent of the grants to the States must be distributed to LEAs by an approved formula. This formula must take into account public and private, nonprofit school enrollment within each LEA, adjusted to provide higher payments per pupil to LEAs with the "greatest numbers or percentages of children whose education imposes a higher than average cost per child." Such children include those from low-income families, those living in economically depressed urban and rural areas, and those living in sparsely populated areas.

SEAs and LEAs must use chapter 2 funds for one or more of the authorized activities. On the selection of these activities for the use of funds, the SEA must have "active and continuing consultation" with an advisory committee appointed by the Governor; the LEA must provide for a "systematic consultation" with parents, teachers, school administrative personnel, and other appropriate groups on the allocation of funds and the implementation of programs.

Chapter 2 authorizes the Secretary to make grants to support various activities by means of discretionary grants, with funding not to exceed 6 percent of all funds available for chapter 2. However, the amount actually reserved for the Secretary's discretionary funds has always been specified in the appropriations acts; the range has been between 5.5 and 6 percent. The Secretary is required to reserve discretionary funds for five specific activities: the Inexpensive Book Distribution program, an Arts in Education program, Alcohol and Drug Abuse Education programs, a Law-Related Education program, and the National Diffusion Network (NDN). The first three of these activities must be supported at their FY 1981 levels, the law-related education program at a minimum of $1 million annually, and the NDN at not less than 34 percent of the amount appropriated for the discretionary funds. (To meet these various requirements would require approximately $18 million; in fact, the amount available for the Secretary's discretionary fund has been at least $27 million annually since the beginning of chapter 2.)

Remaining funds available to the Secretary may be used to support various information, research, demonstration, teacher training, and assistance programs related to chapter 2 purposes and activities. The proportion of funds for these remaining activities has generally been decreasing. During the first 3 years of the program, the remainder was 20 percent or more (25.5 percent in FY 1983); the portion decreased to 10.6 percent in FY 1986 and 5.1 percent in FY 1987. 7/

PROGRAM FUNDING HISTORY

As the following table and graph demonstrate, appropriations have increased overall during the initial six years of the Chapter 2 programs. Funding has increased in each of those years, with the exception of FY 1984 (level funding) and FY 1986 (4.8 percent decrease). After adjusting for the

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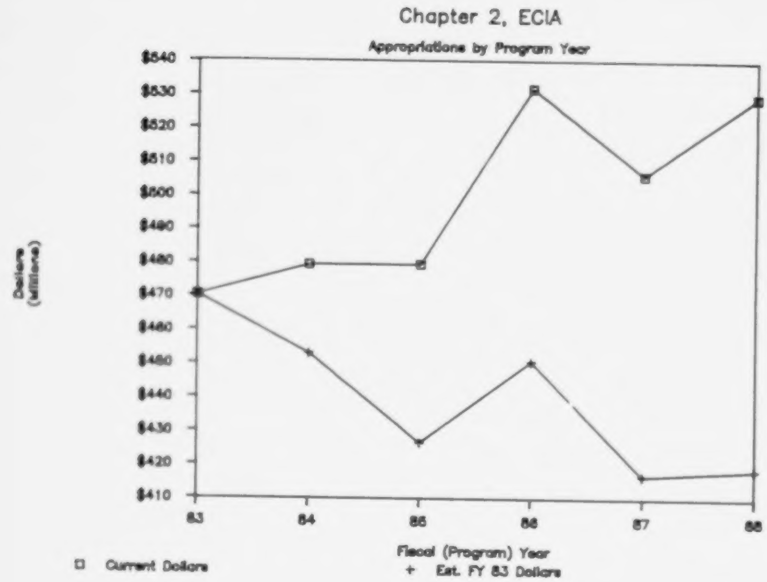
7/ Appropriation History of the Education Block Grant Program, Fiscal Years 1982-1987 (as of October 18, 1986) [by] Paul M. Irwin. November 25, 1986. CRS report.

effects of inflation, however, funding has decreased overall, with decreases every year except FY 1985 (5.7 percent increase) and FY 1987 (0.5 percent increase).

Chapter 2, Education Consolidation And Improvement Act: Appropriations History For Fiscal Years 1982-1987 In Current And Estimated Constant Dollars, In Terms Of Appropriations (Budget Authority)

Fiscal Year	ECIA Chapter 2 Appropriation (in thousands of current dollars)	Percentage Change From Previous Year (current dollars)	Percentage Change From Previous Year (constant dollars)
1982 (for 1983)	$470,400		
1983 (for 1984)	$479,420	1.9%	-3.7%
1984 (for 1985)	$479,420	0.0%	-5.8%
1985 (for 1986)	$531,909	10.9%	5.7%
1986 (for 1987)	$506,166	-4.8%	-7.5%
1987 (for 1988)	$529,337	4.6%	0.5%
Net change, 1982 (for 1983) to 1987 (for 1988)		12.5%	-11.0%

Note: The price index used is the (fixed-weight) deflator for State and local government purchases of services, received from the Bureau of Economic Analysis, Department of Commerce, on Aug. 19, 1986. For fiscal year 1986, the index is based on data for the first 3 quarters of the year only. Also, for fiscal years 1987 and 1988, the index is estimated on the basis of Congressional Budget Office projections of the rate of increase in the overall Gross National Product deflator (published in Aug. 1986).


Chapter 2, ECIA
Appropriations by Program Year
Dollars (Millions)
$540
$530
$520
$510
$500
$490
$480
$470
$460
$450
$440
$430
$420
$410
83
84
85
86
87
88
Fiscal (Program) Year
□ Current Dollars
+ Est. FY 83 Dollars

PARTICIPATION LEVEL AND TRENDS

SEAs, LEAs, and public and private, nonprofit elementary and secondary school children and staff are all eligible to participate in, or benefit from, chapter 2 programs. Chapter 2 funds have been distributed to all SEAs and to virtually all LEAs. The number of students and staff nationwide who have actually participated or benefitted from chapter 2 programs apparently has not been collected or estimated.

SRI International conducted a study of the implementation of chapter 2 at the local level. 8/ The SRI study found that, on average, chapter 2 funds made up less than 1 percent of an LEA operating budget and provided between $7.00 and $9.00 per pupil during the 1984-85 school year. In terms of the size of the 1984-85 chapter 2 grant, 91 percent of the LEAs received $50,000 or less. (Funding from chapter 2 may represent a more significant percentage of discretionary funds, since most of an LEA budget is spent on salaries and other contractual or non-discretionary expenditures.) 9/

With regard to private school pupils, the SRI study found that 75 percent of the LEAs reported eligible students within their boundaries, but only 37 percent reported using chapter 2 funds to serve such students. However, in excess of 75 percent of the larger LEAs (enrollment of 10,000 or more) reported

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8/ The various reports of the SRI study are discussed under the section on evaluations below. The universe for the study was 15,538 LEAs. Several representative samples were taken, including a mail survey of 1,600 LEAs, a telephone survey of 120 LEAs, site visits to 24 LEAs, and "special purpose site visits" to 24 LEAs. Study methods and samples are discussed in: The Education Block Grant at the Local Level [by] Michael S. Knapp and Craig H. Blakely. SRI International, Menlo Park, January 1986, Appendix E.

9/ Funds Allocation and Expenditures under the Education Block Grant [by] Richard Apling and Christine L. Padilla. SRI International, Menlo Park, January 1986, p. 77.

using chapter 2 funds to serve private school students. Approximately 10 percent of all chapter 2 funds is being used to serve private school children.

The SRI study found that a large majority of LEAs (75 percent) received additional funds under chapter 2 compared to funding under the antecedent programs. No overall relation was found between losing funds under chapter 2 and poverty. The same percentage (20 percent) of LEAs with high concentrations of poverty children lost funds as LEAs with few poverty children. However, among the largest urban LEAs, 40 percent of the low poverty districts lost funds compared to 60 percent of those with high poverty rates. 10/

The SRI study identified changes in types of expenditures under chapter 2. A greater percentage of LEAs used chapter 2 funds for purchases of computer hardware and software and to provide for staff development than used funds from antecedent programs for these expenditures. A smaller percentage of LEAs reported using chapter 2 funds to purchase instructional materials and equipment other than computers.

SYNTHESIS OF EVALUATION FINDINGS

The most comprehensive evaluation of the chapter 2 education block grant to date has been conducted by SRI International under contract with ED. 11/

10/ The higher percentage for LEAs with high poverty rates is due in part to the loss of large discretionary grants for Federal desegregation assistance (authorized under the Emergency School Assistance Act, one of the larger of the antecedent programs), according to SRI, Funds Allocation and Expenditures under the Education Block Grant, p. 31.

11/ In January 1986, SRI International, of Menlo Park, California, published a summary volume and 5 special issue reports that analyze the first 3 years of chapter 2 implementation. The summary report is: The Education Block Grant at the Local Level: the Implementation of Chapter 2 of the Education Consolidation and Improvement Act in Districts and Schools [by] Michael S. Knapp and Craig H. Blakely, 498 p.; the 5 special issue reports are: (1) Legislative Goals for the Education Block Grant: Have They Been Achieved at the Local Level? [by] Knapp, 129 p.; (2) Funds Allocation and Expenditures

The SRI study concludes that during the first 3 years of implementation, chapter 2 achieved most of its Federal goals at the local level--"modest" assistance for educational improvement, reduced local administrative burdens, enhanced local discretion, and improved access by private school students--but has had limited success regarding another goal--increased involvement of parents and citizens in local decisions. SRI found relatively "trouble-free" administrative relations between SEAs and LEAs. Chapter 2 funds were distributed "more broadly and evenly" among LEAs than under the antecedent programs, and services were also distributed fairly evenly among students within LEAs. The SRI study did not systematically assess the achievement of local goals within the context of chapter 2, in part because these goals "are modest and diverse and tend not to be specified in detail." 12/

In terms of broader issues, SRI concluded that the education block grant mechanism "seems particularly effective at conveying the intended sense of local flexibility," but does so by utilizing "existing categorical structures more than it departs from them." 13/ The special characteristics of chapter 2 should be remembered when making these conclusions, according to SRI; these include: (1) chapter 2 funding levels have been relatively small; (2) larger Federal categorical programs serve many of LEAs' special educational needs; and (3) most of the antecedent programs that were consolidated into chapter 2 were

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Under the Education Block Grant [by] Richard Apling and Christine L. Padilla, 121 p.; (3) Participation of Private School Students in Services Supported by the Education Block Grant [by] Rhonda Ann Cooperstein, 135 p.; (4) Involvement of Parents and Citizens in Local Decisionmaking Under the Education Block Grant [by] Blakely and Marian S. Stearns, 101 p.; and (5) The Education Block Grant and Intergovernmental Relations: Effects at the Local Level [by] Brenda J. Turnbull and Ellen L. Marks, 83 p. SRI published a seventh report in February 1986: State and Local Evaluation Options Under the Federal Education Block Grant [by] Elizabeth R. Reisner and Knapp, 64 p.

12/ The Education Block Grant at the Local Level (SRI), pp. iii-v.

13/ The Education Block Grant at the Local Level (SRI), p. v.

without large, active political constituencies. The SRI study did not examine SEA use of chapter 2 funds, except when SEAs used these funds for discretionary grants to LEAs; the SEA can reserve up to 20 percent of the total State grant to meet its own priorities under chapter 2, one of which may be discretionary grants for LEAs within the State. 14/

In November 1984, the General Accounting Office (GAO) issued a detailed report on the impact of chapter 2 at the State and local levels. 15/ The GAO study was conducted in 13 States and cannot be used to make national projections. Key findings include the fact that chapter 2 has shifted program administrative responsibility from the Federal to the State level, but that LEAs control the use of at least 80 percent of the funds. States have used a wide variety of formulas to distribute funds to the local level, but all States (in the study) used local enrollment as the most significant factor in their allocations, ranging between 40 and 95 percent of all funds for LEAs. Most of these States retained the maximum 20 percent of funds for their own discretionary use.

The GAO report indicates that at the local level, chapter 2 funds were generally used to maintain and increase the support of major activities authorized under antecedent programs, with one exception: support for desegregation activities was reduced. Within program activities, 55 percent of the funds were reported to be spent on three types of materials--computers (24 percent), books (21 percent), and audiovisual (10 percent)--whereas the largest single category was salaries (28 percent). (In contrast, the Department of

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14/ For a summary of earlier evaluations of chapter 2, including some observations on SEA uses of chapter 2 funds, see: Block Grant Funding for Federal Education Programs: Background and Pro and Con Discussion [by] K. Forbis Jordan. November 18, 1986. CRS report 86-992 S. 36 p.

15/ Education Block Grant Alters State Role and Provides Greater Local Discretion. GAO/HRD-85-18. November 19, 1984. 78 p.

Education's Center for Education Statistics indicates that approximately 60 percent of local expenditures from all sources is spent for salaries.)

The GAO found that States had generally implemented chapter 2 programs with few changes in organizational structures that had administered the antecedent programs. Although GAO found numerous indications of State administrative simplification, "specific cost savings could not be quantified" that were related to the simplified procedures. Perceptions were mixed concerning the benefits of chapter 2. 16/ Local education officials were relatively positive in reporting that the block grant was less burdensome and more flexible and desirable than the antecedent programs. State education officials expressed more cautious views. Of the 11 States with officials providing opinions, officials in six States believed that the block grant was a more desirable method of funding than the prior categorical programs; 1 State official thought there was no difference; and officials in 4 States thought the change to the block grant was less desirable. Interest group opinions were also solicited; of those responding, 64 percent thought the block grant less desirable, and only 21 percent found it preferable to the antecedent programs.

Is the Target Population Being Served?

With block grants, program participants often are difficult to identify because of the decentralized decision making and the permissible State and local options. Chapter 2 is no exception; SEAs and LEAs determine the various types of priorities and activities for the expenditure of funds, and thereby

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16/ Education Block Grant Alters State Role and Provides Greater Local Discretion. pp. 33-34.

the kinds of pupils and staff that will benefit from the program. 17/ The list of authorized activities under chapter 2 is extensive, encompassing the more than 40 elementary and secondary education programs that were consolidated into the education block grant in 1981. With simplified Federal administration, chapter 2 does not require States to report program implementation data to the Secretary of Education.

The chapter 2 target population includes all of the 49.9 million students enrolled in public and private elementary and secondary schools; the 2.5 million teachers and 2.1 million other professional, administrative, and support staff; and all SEAs and LEAs (see "Participation Level and Trends" above). 18/

All SEAs and virtually all LEAs are in fact being served by the chapter 2 program, as discussed above. As a result, almost all public school students and staff are enrolled in, or are employees of, LEAs receiving chapter 2 funds, and are therefore in a position to benefit from its services. Most of the larger LEAs (those with 10,000 or more enrollment) are providing services to private school children; most of the smaller LEAs (enrollment of 2,500 or less) do not have eligible private schools within their attendance areas. 19/ SRI estimates that in 12 percent of the LEAs nationwide, private school children are being provided chapter 2 services through a bypass contractor or an intermediate agency. (Under the bypass provision, a third-party contractor rather than the SEA or LEA provides chapter 2 services to private school children.)

17/ Although the formula for the allocation of funds to LEAs requires an adjustment for LEAs with pupils imposing higher than average educational costs, there is no chapter 2 provision that specifically requires special services to be targeted on these children.

18/ School Enrollments Up, Expenditure Per Pupil Reaches Record High. U.S. Department of Education News. August 29, 1986. Table 1.

19/ Participation of Private School Students in Services Supported by the Education Block Grant (SRI), Table A-II-1.

Some private schools have elected not to have their students participate in chapter 2 activities. Overall, however, an actual count has not been made of the number of students or staff at private or public schools that participate in or benefit from the chapter 2 program.

Teachers and staff are included in the chapter 2 target group because staff development and the improvement of instruction are included among the authorized activities. The SRI study found that such activities were more widespread in LEAs under chapter 2 than under the antecedent programs. 20/ One quarter of all LEAs were found to use chapter 2 funds to support staff development, accounting for nearly 10 percent of all LEA chapter 2 funds. With regard to services related to private school students, SRI found that 11 percent of the LEAs providing such services did so in the form of staff development activities. 21/

Are the Objectives Being Met?

The primary objective of chapter 2, as indicated in the legislation, is to consolidate more than 40 previously authorized elementary and secondary education programs into a single block grant to SEAs and LEAs. This objective was obviously met with the enactment and implementation of the block grant. 22/ Additional chapter 2 objectives of educational improvement and the reduction of administrative and paperwork burdens seem to have been met as well, although

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20/ The Education Block Grant at the Local Level (SRI), pp. 95-114.

21/ Participation of Private School Students in Services Supported by the Education Block Grant (SRI), Table II-5.

22/ As SRI observes, "some of the program's success in relation to its legislative goals was virtually automatic." Legislative Goals for the Education Block Grant (SRI), p. 83.

the SRI study suggests that contributions to educational improvement have been widespread but "modest."

The SRI study searched for "improvement-oriented activity" in the local use of chapter 2 funds for upgrading equipment, developing curricula, training staff, and additional school planning. 23/ The study looked for significant support for one or more of these activities, along with evidence that the chapter 2 funds were used for purchases that could not have been made with other funds available to the LEA. In this regard, SRI found chapter 2 funds being used as follows: three quarters of all LEAs used at least part of the chapter 2 funds for the purchase of computer technology; one quarter of the LEAs used these funds for developing curricula, particularly in basic academic areas; one quarter of the LEAs used funds for staff development, particularly in areas of teacher shortages; and a majority of LEAs used funds for various innovative programs and projects.

The SRI study also found a tendency among LEAs to dilute the effects of improvement from chapter 2. 24/ A larger number and a broader range of LEAs participate in chapter 2 than under the antecedent programs. Within LEAs, SRI found that chapter 2 funds were used for providing "a little something for everyone" on average, rather than targeting benefits on schools or students with special needs. The most frequently selected improvement activities were those most likely to benefit all kinds of students, for example, library resources and computer equipment. Without an appreciable increase in funds, LEAs were found to be dispersing funds among a wider array of activities during each succeeding year of chapter 2 operation. Although the size of these school improvements were often small (reflecting the size of the grants), SRI reports

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23/ Legislative Goals for the Education Block Grant (SRI), pp. 77-78.

24/ Legislative Goals for the Education Block Grant (SRI), pp. 33-38.

that local educators considered the activities important, and often critical, with regard to particular aspects of their instructional programs. 25/

Federal administrative and paperwork burden associated with the more than 40 antecedent programs was to be reduced through the chapter 2 consolidation. Each of the antecedent programs was designed to meet a specific Federal categorical objective. Most programs were administered through nationally competitive grants, and all required separate applications (although few, if any, LEAs applied for funding from all of these programs). Chapter 2 reduced these burdens by means of a single application for funds; a reduction in program evaluation, needs assessments, and planning requirements; and a termination of reports on program implementation from SEAs to the Federal level. 26/

The SRI study found that administrative burdens were low under chapter 2, and that they were reduced in comparison with the antecedent programs or were not very burdensome to begin with. 27/ Approximately two thirds of the local chapter 2 administrators reported a reduction in such burdens, and most of the remainder reported that the burdens were about the same as under the antecedent programs. (Some LEAs did not receive grants under any of the antecedent programs; some received funds from only those with low administrative requirements.)

The SRI study did find some exceptions to its general conclusion of the reduction of local administrative burdens, however. 28/ Many of the larger LEAs, especially those with large or growing involvement with private school students, found that the administration of chapter 2 has remained burdensome.

25/ Legislative Goals for the Education Block Grant (SRI), p. 78.

26/ Legislative Goals for the Education Block Grant (SRI), pp. 44-47.

27/ Legislative Goals for the Education Block Grant (SRI), pp. 41-59.

28/ Legislative Goals for the Education Block Grant (SRI), p. 79.

Complaints were also made by LEAs where their States were found to require more extensive applications, evaluations, and other reports concerning chapter 2 programs. SRI suggests that State interpretations of Federal requirements account for these differences; chapter 2 allows States considerable flexibility in program administration. 29/

Chapter 2 requires the equitable participation of private school children at the State and local levels. The SRI study found that this objective was being met, but with certain exceptions. 30/ Virtually all private schools identified as eligible and wanting to participate appear to have access to chapter 2 services (although SRI did raise a question concerning the completeness of the list of eligible private schools). Funds are generally spent on an equal per pupil basis, although SRI found that private school students had access to a narrower range of activities than were available to public school students. Even so, both access and services were found to be greater than under the antecedent programs. The SRI study found significant administrative burdens and costs associated with services to private school students. The burdens fell especially on the larger LEAs with numerous private schools existing within their boundaries. In these LEAs, the administrative costs were generally not reimbursed. As might be expected, SRI found very positive attitudes toward chapter 2 in the private school sector; the LEAs saw few benefits from this particular Federal requirement.

LEAs are required to provide for systematic consultation with parents, teachers, administrators, and other appropriate groups in the design, planning, and implementation of chapter 2 programs. The SRI study found limited success

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29/ The Education Block Grant at the Local Level (SRI), p. 156.

30/ Participation of Private School Students in Services Supported by the Education Block Grant (SRI), pp. 101-108.

with this objective; there is a low degree of involvement by parents and citizens, and LEAs appeared to be investing little effort in encouraging their participation. 31/ In particular, one or a few LEA-level administrators typically make decisions about the local use of chapter 2 funds, with decisions often made for more than one year at a time, especially in areas such as computer applications. The influence of any advisory group was reported generally to be weak. Decisions about the implementation of activities (as opposed to the allocation of funds among activities) are typically made by school-level staff; a few parents may be included in making these decisions. Teachers and principals were reported to exert a greater level of influence in smaller LEAs. School board members were seen to exert influence infrequently.

In a 1984 study of 13 States, the GAO found public participation in chapter 2 decisions at the State level to be higher than in the antecedent programs. 32/ States are required under chapter 2 to appoint advisory councils broadly representative of educational interests and the general public. State officials rated these councils as "most important" in reaching their decisions concerning chapter 2. Drafts of State plans were made available to State legislators and LEAs in most of the States in the GAO survey, and made available to the general public in all 13 States of the survey. The GAO found that interest groups were evenly divided concerning their satisfaction or dissatisfaction with State efforts at public participation. In comparison with other Federal block grants, the GAO rated the participation of governors and State legislators in chapter 2 decisions as relatively low.

31/ Involvement of Parents and Citizens in Local Decisionmaking under the Education Block Grant (SRI), pp. 65-72.

32/ Education Block Grant Alters State Role and Provides Greater Local Discretion. GAO/HRD-85-18. November 19, 1984. pp. 42-55.

ADDITIONAL PROGRAM BACKGROUND INFORMATION AND ISSUES

The events leading up to the enactment of the chapter 2 education block grant, characteristics of block grants, and various program and policy issues related to the education block grant have been discussed in detail in another report by the Congressional Research Service. 33/ The other report analyzes the following issues: legislative efforts to enact categorical restrictions on chapter 2 activities; enactment of separate programs that parallel activities authorized in chapter 2, such as the Science and Mathematics Education program and the Magnet Schools Assistance program; benefits and costs of reducing administrative and paperwork burdens; identification of administrative costs under chapter 2; implementation of advisory council requirements; efforts by the Department of Education to increase "non-regulatory" guidelines for the implementation of chapter 2; and technical assistance provided to chapter 2 recipients.

Three other issues merit discussion in the consideration of chapter 2. Program information, accomplishments and funding levels, and the Secretary's discretionary funds are analyzed below.

Program Information

Even with the data collected by the SRI study and the earlier studies of chapter 2, program information has gaps in it, especially concerning statistics related to (a) participants in the chapter 2 program and (b) financial data on chapter 2 expenditures for activities authorized by the antecedent programs. Chapter 2 statistics now appear capable of providing estimates of expenditures,

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33/ Block Grant Funding for Federal Education Programs: Background and Pro and Con Discussion [by] K. Forbis Jordan. November 18, 1986. CRS report 86-992 S. 36 p.

or the number of LEAs making such expenditures, for general types of activities such as instructional materials, computer equipment, curriculum and staff development, and teacher salaries. These statistics do not provide details concerning expenditures for, participation in, or need for activities authorized by the antecedent programs. Although SRI suggests that these former programs were without large and active political constituencies, they were Federal concerns when originally authorized and some retain Federal interest still.

Accomplishments and Funding Level

Chapter 2 appears to have achieved, at least to some extent, its major objectives--program consolidation, educational improvement, and reduction of administrative burden. Some might contend, however, that these accomplishments by themselves do not provide the basis broad enough to continue the program or to establish an appropriate funding level. Program consolidation is not generally viewed as an end in itself, and could be continued at virtually any level of funding. Educational improvement is a Federal interest, but the SRI study judged these accomplishments "modest" and did not suggest that greater improvement could be achieved through increased funding. The reduction in administrative burdens, also viewed as modest by SRI, does not appear to lend itself in any positive way to support the level of funding for chapter 2. Without more specific Federal objectives and national priorities concerning educational needs, the basis for Federal funds may be weakened.

Others might contend that the enactment of chapter 2, with its termination of separate antecedent programs and consolidation of their activities into a block grant, has been a significant Federal objective and an accomplishment in its own right. The shift in the determination of educational priorities to the State and local level, and the positive responses from LEA officials found by

SRI, might be considered sufficient for continuing chapter 2 at its current level of funding. With its large range of authorized activities, chapter 2 may allow States and localities to address current educational needs, as well as emerging or future needs. These needs could be addressed perhaps before they become national problems, and without waiting for legislative deliberations over the need for additional Federal programs. This process might then reduce the need for Federal scrutiny of local educational programs that was implied under the programs antecedent to chapter 2.

Secretary's Discretionary Funds

The amount of discretionary funds available to the Secretary of Education has not been as great as it might appear. The Secretary is authorized to support various discretionary activities under chapter 2, with funding not to exceed 6 percent of the total appropriation; however, the actual amount reserved has always been specified in appropriations language. The amount was in fact 6 percent during the first four years of chapter 2 (FY 1982 through FY 1985); the percentage decreased to 5.5 percent for FY 1986 and FY 1987. Appropriations language has also reserved part of these funds for specific activities, such as the Inexpensive Book Distribution program, with the remainder available to support projects of the Secretary's own choice. The remainder represents a decreasing portion of the funds available to the Secretary. During the first three years of the program, the remainder was 20 percent or more (25.5 percent in FY 1983); the portion decreased to 10.6 percent in FY 1986 and 5.1 percent in FY 1987. 34/

34/ Appropriation History of the Education Block Grant Program, Fiscal Years 1982-1987 (as of October 18, 1986) [by] Paul M. Irwin. November 25, 1986. CRS report.

The use of discretionary funds by the Secretary of Education has come into question during Congressional oversight. In particular, Education Week stated that 15 out of 34 awards made in March 1986 were rated lower by advisory peer review panels than some of the losing award applicants. 35/ The Secretary overruled the panels in these 15 exceptions, stating that he took into account factors that the panels may not have considered, such as the potential impact of the grant activities. Totaling $2.5 million, the 34 awards were made for the Secretary's research priorities related to: (a) choice (educational vouchers) and parental involvement in education; (b) development of student character; and (c) content of textbooks and curricula. In hearings before a Senate Appropriations Subcommittee, critical comments were raised concerning the philosophical objectives of the awards, their legality, and bias of the researchers. Subsequently, the Secretary indicated that awards for the following year would be for the improvement of elementary and secondary education in general, and that no priorities would be established among a broad range of activities that might be funded.

35/ See Education Week, Bennett Overruled Reviewers of Grants, April 16, 1986, p. 11. Also see Education Week, Bennett Awards More Than $2.5 Million in Grants to Promote '3 C's,' March 19, 1986, p. 1; Secretary Bennett's Discretionary Grant Awards, March 19, p. 13; Bauer Orders ED Units to Cut Peer Review Costs, April 9, 1986, p. 8; and Federal File, May 28, 1986, p. 9.

SOURCES OF ADDITIONAL INFORMATION

U.S. Library of Congress. Congressional Research Service. Education and Public Welfare Division. Chapter 2 education block grants [by] Paul M. Irwin and K. Forbis Jordan. [Washington] 1979. (Issue Brief 79021) Archived September 22, 1986.

----- The Education Consolidation and Improvement Act and other programs of Federal aid to elementary and secondary education--reauthorization status and brief guide to information sources, by Wayne Riddle. [Washington] 1986. 7 p. (CRS report)

----- Appropriation history of the education block grant program, fiscal years 1982-1987 (as of October 18, 1986), by Paul M. Irwin. [Washington] 1986. 2 p. (CRS report)

----- Block grant funding for Federal education programs: background and pro and con discussion, by K. Forbis Jordan. [Washington] 1986. 36 p. (CRS report 86-992 S)

----- The Education Consolidation and Improvement Act of 1981: technical amendments of 1983 (P.L. 98-211), by Paul M. Irwin. [Washington] 1983. 16 p. (CRS report)

----- Provisions of State applications for chapter 2 (block grant) funds under the Chapter 2 of the Education Consolidation Act of 1981, by K. Forbis Jordan and Paul M. Irwin. [Washington] 1982. 20 p. (CRS report)

----- Authorizing legislation for the chapter 2 education block grant, and for the programs antecedent to the block grant, by Paul M. Irwin. Washington] 1984. 98 p. (CRS report)

VII. THE BILINGUAL EDUCATION ACT: TITLE VII OF THE ELEMENTARY AND SECONDARY EDUCATION ACT

SUMMARY OF PROGRAM PURPOSE AND STRUCTURE

The Bilingual Education Act, authorized under title VII of the Elementary and Secondary Education Act of 1965, as amended, was initially enacted in 1968. The Office of Bilingual Education and Minority Languages Affairs (OBEMLA) in the U.S. Department of Education (ED) administers the Bilingual Education Act.

The purpose of the Act is to help language minority, limited English-proficient students to acquire the English language proficiency necessary to enter all-English regular classes while at the same time meeting grade promotion and graduation standards. A "limited English-proficient" (LEP) student is defined by the Bilingual Education Act as an individual who comes from a home environment where a language other than English is most relied on for communication, and who has sufficient difficulty in understanding, speaking, reading, and writing English to deny the individual the opportunity to learn successfully in all-English classes.

The Bilingual Education Act is currently the only Federal education program that provides educational services primarily for school-age LEP students to help them learn the English language well enough to fully participate in all-English classes. 1/ Unlike other Federal education programs, it requires that 75 percent of each year's appropriation for local school district programs be used to support programs of transitional bilingual education. Transitional bilingual education (TBE) is an instructional approach in which LEP students initially are taught reading in English and in their native language, and all other subjects in their native language until they learn English well enough to enter regular classes in these subject areas.

The Act currently authorizes 3 types of activities. Under "Bilingual Programs" (part A), Federal financial assistance is provided through discretionary grants primarily to local school districts for the support of educational services to LEP students. These awards may be used to support programs of English language instruction for LEP students or to develop curricular materials for these students. Under "Support Services" (part B), awards are made to a variety of recipients such as State education agencies, private contractors, and nonprofit educational research organizations for data collection and technical assistance, research, and dissemination of information on educational programs and related services for LEP students. Under "Training Grants" (part C), awards are made to recipients such as State education agencies and institutions of higher education for inservice and preservice training of educational personnel and parents of LEP students. In all 3 of these activities, the goal of this program is to provide Federal assistance for a limited time to enable local school districts, States, and institutions of higher

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1/ LEP children and youth served under other Federal education programs ikf they meet the eligibility criteria specific to these other programs; e.g., the chapter 1, Education Consolidation and Improvement Act program serves more OEP children than does the Federal bilingual education program.

education to build their capacity to operate programs when Federal funding is reduced or no longer available.

Under part A, the Bilingual Education Act has typically supported local school district programs that used the transitional bilingual education (TBE) approach for teaching LEP students; in 1984, however, Congress authorized (P.L. 98-511) limited Federal funding for the support of instructional programs other than TBE. There seems to be little controversy over the need to provide limited English-proficient students with special instruction to enable them to succeed in the regular school program, or over the Federal Government's responsibility under the Supreme Court's Lau decision (Lau v. Nichols, 414 U.S. 563, 1974) to ensure that local school districts provide appropriate educational services to LEP students. The debate appears to be over whether the U.S. Congress should require, as a condition for eligibility, a particular type of program design and instructional approach under the Bilingual Education Act. As previously noted, under the current Bilingual Education Act (P.L. 98-511), at least 75 percent of the Federal funds appropriated for local school district programs must be used to support a specific instructional approach called "transitional bilingual education"; 50 percent of the total appropriation above $140 million, but not more than 10 percent of the total appropriation for the Act, may be used to support alternative instructional approaches to transitional bilingual education such as a English as a second language or immersion. At issue is not only whether the majority of the Federal funds under the Act should be earmarked for the support of a specific instructional approach known as TBE, but also to what extent alternative instructional approaches for teaching LEP students should be supported under the Bilingual Education Act. 2/

2/ For a detailed discussion of these issues and a description of these instructional approaches, see Rick Holland. The Bilingual Education Act--Should a Specific Instructional Approach Be Supported? U.S. Library of

Bilingual Programs (Part A)

Part A of the Bilingual Education Act provides funding for seven different programs that serve the instructional needs of LEP students. The FY 1985 grants for these programs totaled $94,963,000 and provided educational services for a reported 205,494 students. These seven programs under part A are briefly described below.

(1) Transitional Bilingual Education (TBE). Grants are awarded to support instructional programs that use structured English language instruction and, to the extent necessary to allow a LEP student to achieve competence in the English language, instruction in the student's native language.

(2) Special Alternative Instruction. Grants are awarded to support instructional programs that are not TBE programs, but have specially designed curricula appropriate for the instructional needs of the LEP students enrolled.

(3) Developmental Program. Grants are awarded to support full-time programs of structured English language instruction and instruction in a second language. Such programs are designed to help LEP students achieve competence in English and a second language, while mastering subject matter.

(4) Academic Excellence Program. Grants are awarded to support programs of transitional bilingual education, special alternative instruction, or developmental instruction that have an established record of providing effective, "academically excellent" instruction. These projects are intended to serve as exemplary programs and to disseminate effective educational practices.

(5) Family English Literacy Program. Grants are awarded to support programs of instruction to help LEP adults and out-of-school youth achieve competence in the English language. Such programs may include instruction on how parents can facilitate the educational achievement of their LEP children. Parents and immediate family members of LEP children served under the Act are given preference for participation in these programs.

Congress Congressional Research Service. [Washington] 1986. (Issue brief 86139)

Regularly updated.

(6) Special Populations Program. This program provides grants to support the instruction of LEP students in preschool, gifted and talented, and special education programs. Such instruction prepares LEP students for, or supplements, TBE or alternative instructional programs.

(7) Instructional Materials Program. This program provides support for the development of instructional materials not available commercially.

Support Services (Part B)

Part B of the Bilingual Education Act authorizes grants to State education agencies (SEAs); awards for at least 2 evaluation assistance centers; contracts for research and evaluation; and a contract for a national clearinghouse to collect, analyze, and disseminate information about programs for LEP students. Each of these activities authorized under part B of the Act is described briefly below.

(1) State Education Agency Program. SEA grants support the collection and reporting of data on the States' LEP populations and the educational services being provided to them. SEA grants may also support the development of educational programs for LEP students; technical assistance to local school districts; needs assessments to identify the educational needs of LEP students; training for SEA staff; and other activities to build the capacity of SEAs and local school districts to serve the LEP students.

(2) Evaluation Assistance Centers. These centers provide technical assistance in identifying the educational needs and competencies of LEP students and assessing their educational progress.

(3) Research Program. This program supports research activities to strengthen instructional programs for LEP students, inform Federal policy decisions, and provide information for program administration.

(4) National Clearinghouse for Bilingual Education. The clearinghouse provides reference, referral, and bibliographic search services principally to teachers and program administrators. The clearinghouse maintains a data base on educational services for LEP students and participates in an information

dissemination network with the multifunctional resource centers described below under part C.

Training Grants (Part C)

Part C of the Bilingual Education Act authorizes training and technical assistance activities through grants and contracts. These activities are intended to increase the supply of trained teachers and to improve the skills of teachers presently providing instruction to LEP students. Five different activities are supported under part C of the Act.

(1) Educational Personnel Training Projects. These projects are supported by grants to institutions of higher education (IHEs). They provide training to graduate and undergraduate students in program administration and instructional and guidance services for LEP students.

(2) Fellowships. This program provides grants to IHEs to train graduate students in the delivery of instructional services to LEP students, such as the provision of special, vocational, or adult education.

(3) Training Development and Improvement. These awards support improvement of graduate school curricula, and provide incentive funding to recruit instructors. This activity was previously known as "school of education grants."

(4) Short-Term Training Institutes. These institutes provide short-term training for parents and school personnel of LEP students. Training institute grants may be awarded to IHEs, SEAs, local school districts, and private or community organizations.

(5) Multifunctional Resource Centers. These regional centers provide technical assistance primarily to local school districts and conduct training for personnel involved in programs for LEP students. The centers are linked with the national clearinghouse to enhance coordination and prevent duplication of effort.

Since the program was implemented in 1969, a total of more than $1.7 billion has been distributed under the Bilingual Education Act. Specifically, 830 school districts in 48 States and Outlying Areas have been awarded bilingual education grants on the basis of national competition.

A BRIEF LEGISLATIVE HISTORY

The Bilingual Education Act, title VII of the amended Elementary and Secondary Education Act (ESEA), was passed by Congress in 1968, and amended in 1970, 1974, 1978, and 1984. This section provides a brief legislative history of the Bilingual Education Act from 1968 to present. The history includes only major substantive amendments that were enacted, as opposed to minor technical amendments to the Act and legislative proposals that were not enacted.

While the basic structure and purpose of the Bilingual Education Act has remained intact since its enactment in 1968, the program has been amended several times. The primary effect of these amendments has been to expand the coverage of the program by broadening the definition of the target population.

The **Elementary and Secondary Education Act Amendments of 1967**, P.L. 90-247, created a new title VII under the ESEA known as the Bilingual Education Act. Enacted in 1968, the Bilingual Education Act established a Federal policy of assisting local school districts to develop and implement new programs to meet the special educational needs of children with limited English-speaking ability. "Children of limited English-speaking ability" were defined as students "who come from environments where the dominant language is other than English."

The original legislation authorized that title VII grants could be used to support the design, development, and operation of instructional programs to meet the special educational needs of children with limited English-speaking ability. In addition, title VII grants could be used to support preservice and inservice training for school personnel to work in bilingual programs. Specifically, the enacting legislation provided a 3-year authorization to support bilingual education programs, programs designed to teach history and culture associated with the child's native language, and programs to establish home-school cooperation; as well as early childhood, adult, dropout, and vocational education programs.

The initial legislation provided that in awarding title VII grants to local school districts, the U.S. Commissioner of Education give highest priority to those school districts having the greatest need for bilingual programs or serving the greatest numbers of children with limited capacity in English, especially children from families with annual incomes below $3,000 or children assisted under the program of Aid to Families with Dependent Children (AFDC). Further, the legislation authorized the Commissioner to appoint a nine-member "Advisory Committee on the Education of Bilingual Children." The Committee was to advise the Commissioner on regulations for implementing title VII and on the administration of the program; it was also to develop criteria for judging grant applications under title VII.

The Elementary and Secondary Education Act Amendments of 1970, P.L. 91-230, extended appropriations authorizations for the Bilingual Education Act through FY 1973. In addition, these amendments authorized title VII grants to be awarded to schools operated by the Bureau of Indian Affairs.

The Education Amendments of 1974, P.L. 93-380, for the first time authorized transitional bilingual education as the basic instructional approach to be supported under the Bilingual Education Act, and extended authorizations of appropriations for the Act through FY 1978. The amendments broadened the target population to children of "limited English ability," (i.e., any students having a limited ability to speak or understand English), and authorized limited, voluntary enrollment of students whose primary language is English in bilingual education programs. The 1974 amendments also authorized $5 million annually for bilingual education research and development by the National Institute of Education. In addition, the 1974 legislation earmarked $16 million of the first $70 million appropriated for the Bilingual Education Act, and one-third of any amount in excess of $70 million, for teacher training in the provision of instructional and related services for LEP students. The legislation also mandated a report to be submitted to Congress on the condition of bilingual education in the nation and on the operation of title VII programs. Further, the 1974 amendments provided that title VII grants be awarded on the basis of the geographic distribution of limited English-speaking students, the relative financial ability of local school districts to provide bilingual education services, and the number of children from low-income families requiring such services.

The **Education Amendments of 1978, P.L. 95-561,** extended authorizations of appropriations for the Bilingual Education Act through FY 1983. These amendments defined the target population to be served under the Act as individuals with "limited English proficiency" (i.e., those students not only having limited ability to speak and understand English, but also those having limited ability to read and write in English), and provided that not more than 40 percent of the students in local title VII programs can be comprised of pupils already proficient in English. The 1978 amendments required that parent advisory councils be established by local school districts as a condition for receiving assistance under the Bilingual Education Act. The 1978 legislation also increased the annual authorization for research and development in bilingual education to $20 million; however, it reduced from one-third to 20 percent the portion of annual title VII appropriations above $70 million earmarked for teacher training. In addition, the 1978 amendments required local school districts receiving title VII grants to employ teachers who were proficient in both English and the language spoken by LEP students in their homes. They strengthened the requirements related to title VII participation of non-public school LEP students by requiring the participation of these children to the extent consistent with their numbers, and on a comparable basis to the public school children. The 1978 legislation also required that grant recipients provide evidence of their efforts to build their capacity to continue local programs for LEP students should Federal funds be reduced or terminated.

Although the Education Amendments of 1978 extended authorizations of appropriations for the Bilingual Education Act through FY 1983, the **Education Consolidation and Improvement Act of 1981, P.L. 97-35,** limited the authorizations of appropriations for the Act to $139.97 million for each of fiscal years 1982 through 1984. Subsequently, the **Education Consolidation and Improvement Act Technical Amendments Act of 1983, P.L. 98-211,** extended the authorizations of appropriations for bilingual education through FY 1984.

The **Education Amendments of 1984, P.L. 98-511,** authorized increased appropriations for the Bilingual Education Act through FY 1988, and revised the Act to permit limited funding of instructional approaches other than transitional bilingual education. The 1984 legislation limited authorizations of appropriations for the Act of $176 million for FY 1985; "such sums as may be necessary" were authorized for each of fiscal years 1986 through 1988.

Under P.L. 98-511, 75 percent of the title VII funds appropriated for local school district programs must be used for the support of transitional bilingual education; 50 percent of the total appropriation above $140 million, but not more than 10 percent of the total appropriation for the Act, may be used to support alternative instructional approaches to transitional bilingual education. In addition, 25 percent of the total appropriation for the Act is earmarked for teacher training.

P.L. 98-511 also established a new SEA grant program under part B of the Act to support the collection and dissemination of data on LEP students, to provide technical assistance to local school districts, and to strengthen local program evaluation. Further, the Education Amendments of 1984 required that the National Center for Education Statistics (NCES) collect and publish data on educational services available to LEP students as well as on educational personnel available to provide such services. 3/ These amendments reauthorized the "Advisory Committee on the Education of Bilingual Children" and renamed it the "National Advisory and Coordinating Council on Bilingual Education."

The Education Amendments of 1984 also relaxed the language requirements of teachers employed in local title VII programs for LEP students; now, they are only required to be proficient in English. In addition, P.L. 98-511 placed various limitations on the amount of time that different types of programs could be funded under the Act.

Finally, the Education Amendments of 1984 authorized 4 new activities under part A of the Bilingual Education Act, the section of the law that provided funding only for basic and demonstration projects prior to FY 1985. These four new activities include: (1) developmental projects--programs that teach English while improving the non-English language skills of students or teach a second language to English-speaking students; (2) family English literacy projects--programs that provide English-language instruction primarily to the LEP parents of students participating in local bilingual programs or alternative instructional programs for LEP students; (3) preschool, special education, and gifted and talented projects--programs that are preparatory or supplementary to the basic local programs for LEP students; and (4) instructional

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3/ The National Center for Education Statistics (NCES) is now called the Center for Education Statistics.

materials projects--programs that develop curricular materials written in the languages spoken in the homes of LEP students.

ALLOCATION FORMULA AND PROCESS

Local school districts, institutions of higher education, State education agencies, and private organizations apply directly to the U.S. Department of Education for title VII assistance. Discretionary project grants and contracts are awarded on the basis of national competition. While the Bilingual Education Act is a current-funded program, funds appropriated and awarded in 1 fiscal year are generally used for activities carried out in the following fiscal year.

In the consideration of grant applications from local school districts under the Bilingual Education Act, the Secretary of Education is authorized to give priority to applications from local school districts that are located in geographical regions where LEP students historically have been underserved. In approving such applications, the Secretary is directed, to the extent feasible, to allocate funds under the Act in proportion to the geographical distribution of LEP students throughout the U.S., taking into consideration the relative numbers of LEP students enrolled in the applicant school districts, the relative need for special educational programs for LEP students, the relative ability of applicants to implement such programs, and the relative numbers of students from low-income families that would benefit from such programs.

PROGRAM FUNDING HISTORY

The following table and graph present the appropriations since enactment for the Bilingual Education Act, title VII of the Elementary and Secondary Education Act.

The Bilingual Education Act, Title VII Of The Elementary And Secondary Education Act Appropriations History For Fiscal Years 1969-1987, In Current And Estimated Constant Dollars, But In Terms Of Appropriations (Budget Authority) Only

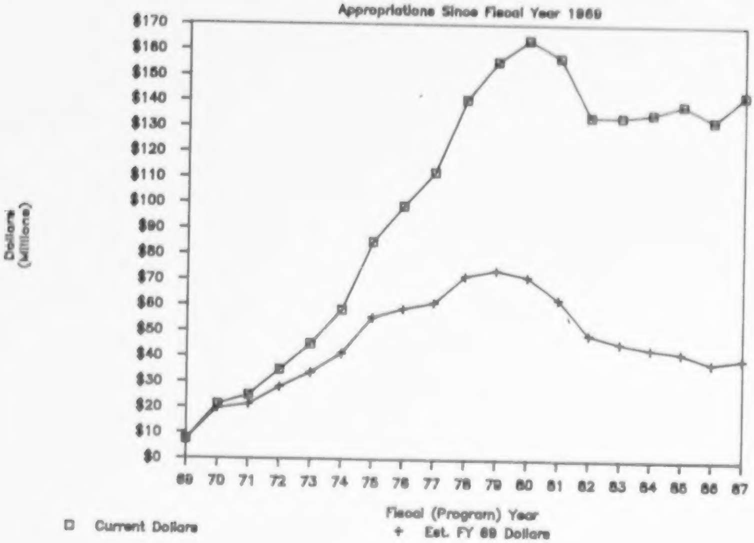
Fiscal Year	Bilingual Ed. Act Appropriation (in thousands of current dollars)	Percentage Change From Previous Year (current dollars)	Percentage Change From Previous Year (constant dollars)
1969	$7,500		
1970	$21,250	183.3%	162.2%
1971	$25,000	17.6%	9.2%
1972	$35,000	40.0%	31.8%
1973	$45,000	28.6%	20.2%
1974	$58,350	29.7%	21.7%
1975	$85,000	45.7%	34.3%
1976	$98,970	16.4%	6.2%
1977	$112,367	13.5%	4.0%
1978	$140,800	25.3%	17.1%
1979	$155,800	10.7%	3.3%
1980	$164,163	5.4%	-3.5%
1981	$157,467	-4.1%	-12.2%
1982	$134,372	-14.7%	-21.7%
1983	$134,371	-0.0%	-6.8%
1984	$135,679	1.0%	-4.6%
1985	$139,265	2.6%	-3.4%
1986	$133,125	-4.4%	-9.0%
1987	$143,095	7.5%	4.5%
Net change, 1969 to 1987 1/		1807.9%	437.2%

Note: The price index used is the (fixed-weight) deflator for State and local government purchases of services, received from the Bureau of Economic Analysis, Department of Commerce, on Aug. 19, 1986. For fiscal year 1986, the index is based on data for the first 3 quarters of the year only. Also, for fiscal years 1987 and 1988, price index numbers are estimated on the basis of Congressional Budget Office projections of the rate of increase in the overall Gross National Product deflator (published in Aug. 1986).

1/ Note that the size of these percentage increases is due largely to the low initial appropriation for this program.

Bilingual Education Act

Appropriations Since Fiscal Year 1969



As this table shows, current dollar (i.e., not adjusted for price level changes) appropriations for the Bilingual Education Act rose steadily from $7,500,000 in FY 1969 to $164,163,000 in FY 1980. Beginning in FY 1981, however, appropriations for bilingual education began to decline from the FY 1980 level, largely as a result of budgetary limitations enacted in the Omnibus Budget Reconciliation Act of 1981 (P.L. 97-35). While appropriations have increased slightly since FY 1983, the FY 1987 appropriation of $143,095,000 for bilingual education is approximately $21 million below the FY 1980 funding level high.

Similarly, appropriations for the Bilingual Education Act rose steadily in terms of constant dollars from FY 1969 to FY 1979. However, beginning in FY 1980, annual appropriations declined each year in terms of constant dollars until FY 1987.

PARTICIPATION LEVEL AND TRENDS

The U.S. Department of Education estimates that currently between 1.2 and 1.7 million children, aged 5-17 years, live in homes in which a language other than English is the dominant language, and are limited English-proficient. This estimate is based on data from the English Language Proficiency Study jointly conducted by the U.S. Department of Education and the U.S. Bureau of the Census.

The greatest growth in the numbers of LEP students receiving educational services under the Bilingual Education Act, as well as the largest increases in Federal appropriations for the Act, occurred in the last half of the 1970s, following the enactment of the Education Amendments of 1974 (P.L. 93-380). The number of bilingual education programs in local school districts grew from 209 programs serving 129,380 students in school year 1973-1974 to a high of 565 local school district projects serving 350,000 students in school year 1980-81. This growth in the numbers of LEP students served under the Act was largely due to the completion of national surveys to identify the eligible target population, and the expansion of eligibility criteria for participation in the program. Since school year 1980-1981, the numbers of LEP students receiving educational services under the Bilingual Education Act have decreased to between 180,000 and 215,000 students primarily because of the decreased funding available to support local school district projects for these students.

Part A of the Bilingual Education Act provides funding for 6 programs that serve the instructional needs of LEP students. The following table presents the FY 1985 distribution of funds under part A as well asstudent participation data for the six programs funded under this part of the Act.

TABLE 2. Distribution of Funds and Numbers of Students Served Under Part A of the Bilingual Education Act, FY 1985

Program	Percent of total part A funds	Total amount of awards	Number of grant awards	Number of students served
Transitional Bilingual Education	81.6%	$77,342,000	538	174,500
Special Alternative Instructional Programs	5.7%	$5,371,000	35	12,095
Academic Excellence Program	8.2%	$7,750,000	37	9,327
Family English Literacy Program	0.5%	$500,000	4	1,126
Special Populations Program	3.7%	$3,500,000	27	7,883
Developmental Bilingual Education Program	0.3%	$250,000	2	563
Total	100%	$94,713,000	643	205,494

Under part B of the Bilingual Education Act (Support Services), 49 State education agencies received grants ranging from $9,387 to $928,873 in FY 1985 to support data collection and reporting, as well as technical assistance activities. In FY 1985, funds under part B of the Act also supported one evaluation assistance center, a variety of research studies, and the national clearinghouse on bilingual education. Since 1974, there has been an increased emphasis on data collection and reporting on numbers of LEP students served and types of services provided them. In addition, increased funds under part B have been earmarked for the support of research activities aimed at improving the provision of educational and related services to LEP students. Further, technical assistance under part B over the past 10 years has moved away from basic program design and implementation to improved identification and assessment of LEP students and better evaluation of local school district programs for these students.

Part C of the Bilingual Education Act supports training activities through various grants and contracts. Educational personnel grants to institutions of higher education (IHEs) for training teachers, aides, parents, and administrators totaled 144 in 1985. Since its inception in 1975, this program has awarded grants to approximately 238 different IHEs to develop their capacity to train educational personnel for work with LEP students.

In the past, the fellowship program under part C of the Act provided financial support primarily to doctoral students. About 312 doctoral students assisted under this program had graduated by 1982; however, since the fellowship program began, approximately 4,000 students have received these awards although many did not complete their degrees.

The following table briefly summarizes the available participation data for the major programs supported under Parts B and C of the Bilingual Education Act for FY 1985.

TABLE 3. Office of Bilingual Education and
Minority Languages Affairs
1985 Awards Under Parts B and C of
the Bilingual Education Act

Part C: Data collection, research, and technical assistance	Number of awards	Amount
State Programs	49	$5,000,000
Evaluation Assistance Centers	1	$500,000
Multifunctional Resource Centers	16	$10,000,000
National Clearinghouse for Bilingual Education	1	$1,200,000
Research Program	19	$3,600,000
Materials Development Program	2	$250,000

Part B: Training	Amount
IHE graduate/undergraduate	$15,965,000
Number of programs	144
Fellowships	$5,000,000
Number of fellows	514
Number of projects	38
Grants to schools of education	$200,000
Number of programs	8
Training institutes	$2,400,000
Number of programs	12

Source: Office of Bilingual Education and Minority Languages Affairs.

SYNTHESIS OF EVALUATION FINDINGS

This section analyzes recent evaluations of federally funded, local school district programs serving LEP students in the U.S. It presents the major findings of these evaluations regarding the effectiveness of various types of instructional programs in improving the academic achievement and English language proficiency of LEP students.

Introduction

Any discussion of the effectiveness of the Federal Bilingual Education Program must necessarily take into consideration the great variety of programs covered by the term bilingual education. The States and local school districts determine the amount of instructional time LEP students will spend in each language, the subjects to be taught in each language, and instructional materials to be used, the entry, placement, and exit criteria, the assessment instruments to measure student performance, and teacher certification requirements for those instructing LEP students.

In addition, there are many individual differences among the LEP students participating in the local school district projects funded by the Federal program. While Hispanic students make up the largest subgroup, LEP students from over 90 language backgrounds participate in these federally funded projects. Some LEP students are refugees; others are immigrants; still others are U.S. citizens, including Native Americans and Alaskan Natives. All of these students have differing degrees of proficiency in English as well as differing degrees of proficiency in their home languages. The socio-economic and educational backgrounds of the LEP students and their families vary widely.

Some researchers contend that the various instructional approaches and program designs for teaching LEP students work differently for different groups of students. For example, an instructional approach and language program that benefits Chinese LEP students may inhibit learning for Hispanic LEP students. 4/ The educational intervention, according to these researchers, should be tailored to the characteristics of the particular group of LEP students. 5/ Furthermore, they contend that apprehensions concerning the use of LEP students' home languages in school appear educationally unjustified since the critical factors in successful programs for LEP students seem to be how teachers use language and instruct their LEP students, rather than how much English they use. 6/ It would appear that program characteristics such as direct instruction, highly structured curricular materials, maximum student time on task, high student participation, and well-trained bilingual teachers contribute more to improving LEP students' academic achievement than does the initial language of instruction. 7/

Some research studies and program evaluations have found initial learning in the second language (i.e., immersion or ESL) to be effective with LEP students. Other research studies and program evaluations support the effectiveness of initial learning in the home language of LEP students (i.e., bilingual education). It would appear that the characteristics of the particular:

4/ Wong Fillmore, Lilly., Paul Ammon, Barry McLaughlin, and Mary Sue Ammon. Learning English Through Bilingual Education. (Executive Summary) Berkeley, CA, University of California at Berkeley, 1985. p. 6.

5/ Ibid., p. 7.

6/ Ibid., p. 6-7; Mace-Matluck, et al., Teaching Reading to Bilingual Children, p. 41.

7/ Ibid.

(a) group of LEP students; (b) community in which the program is located; and (c) way in which the program design is actually implemented may account for the effectiveness of one instructional approach over another in improving the academic achievement of LEP students in specific school situations. Similarly, no consensus on a single successful instructional approach exists among researchers and program evaluators who have attempted to assess whether one instructional approach is more effective than another in improving such nonacademic measures as LEP students' attitudes toward school and their self-concepts, or in decreasing their absenteeism and dropout rates. Consequently, the lack of conclusive, nationally representative research studies and program evaluations on the effectiveness of different instructional approaches as actually implemented with specific types of LEP students in various program settings precludes determining the most effective instructional approach for LEP students in general. The research studies and program evaluations do, however, seem to suggest that well-trained, sensitive teachers who individualize their instructional approach and program setting to meet the needs of their particular LEP students are successful in improving the academic achievement of LEP students.

Effectiveness of Local Bilingual Education Programs

American Institutes for Research Study. One of the most frequently cited evaluations of local bilingual education programs is the 1978 large-scale national evaluation conducted by the American Institutes for Research (AIR) entitled, Evaluation of the Impact of ESEA Title VII--Spanish/English Bilingual Education Program: Overview of Study and Findings. AIR evaluated 38 local bilingual education programs in their fourth or fifth year of funding serving a total of 11,500 LEP students in 384 classrooms at 150 schools. After following these LEP students for 2 years, the AIR researchers concluded that students in local bilingual programs did no better at learning English or any other subject than did non-English speaking students placed in regular classrooms with no special language instruction. Further, the researchers found that LEP students enrolled in bilingual programs performed worse in English than did their LEP counterparts in regular classes. LEP students in bilingual programs performed at approximately the same level in math as did LEP pupils instructed in regular classes. Moreover, the AIR researchers concluded that participation in local bilingual programs did not effect a more positive LEP student attitude toward school or school-related activities when compared with the attitude toward school of LEP students enrolled in regular classrooms.

These evaluation findings of the AIR study have been questioned by other researchers in the field of bilingual education. M. Beatriz Arias and Richard Navarro pointed out that the AIR evaluation was conducted at a time when the development of appropriate instruments and curricular materials for bilingual education programs was in its infancy. 8/ In addition, Arias and Navarro stressed that the AIR evaluation failed to link the educational experiences of LEP students with their respective educational outcome measures, i.e., the evaluation did not control for the various types of educational programs and settings of LEP students when measuring their respective academic achievement gains.

Arias and Navarro argued that the diversity of LEP students and their backgrounds and the variety of local bilingual education programs and settings

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8/ Arias, M. Beatriz, and Richard Navarro. Title VII, Bilingual Education--Developing Issues of Diversity and Equity. Institute for Research on Educational Finance and Governance. Stanford University, autumn, 1981. p. 4.

require that evaluators focus on what types of instructional approaches work best for which particular groups of LEP students. For example, some researchers have suggested that instructional approaches such as English as a second language and immersion are more effective in improving students' academic achievement and English-language proficiency when the following conditions exist: (1) the target population comes from middle-class and/or upper the middle-class homes; (2) the LEP students have attained a high level of proficiency in their home language; (3) the home language is highly regarded in the local community; (4) the LEP students are highly motivated to learn a second language; (5) the instructional program receives strong support from parents and the community; and (6) the LEP students regularly attend the same instructional program for several consecutive years. 9/

In contrast, some experts in the field have contended that instructional approaches that initially teach LEP students subject content in their home languages, such as bilingual education and transitional bilingual education, are more effective in improving academic achievement and English-language proficiency under the following conditions: (1) the target population comes from lower socioeconomic backgrounds; (2) the LEP students are not proficient in their home languages; (3) the home language is not highly valued in the local community; (4) there is a high degree of student transiency in and out of the instructional program; and (5) the school faculty is generally not from the same ethnic group as the LEP students. 10/

9/ See Rotberg, Iris C. Some Legal and Research Considerations in Establishing Federal Policy in Bilingual Education. Harvard Educational Review, v. 52, May 1982. p. 158-159.

10/ See Dutcher, Nadine. The Use of First and Second Languages in Primary Education: Selected Case Studies. Draft report prepared for the Education Department of the World Bank. June 1981; Paulston, Christina Bratt. Ethnic Relations and Bilingual Education: Accounting for Contradictory Data. Working Papers in Bilingualism, no. 6. Toronto, Ontario Institute for Studies in Edu-

Critics of the AIR evaluation argued that since the AIR researchers did not control for the socioeconomic backgrounds of LEP students, the amount of time they were in programs, and the educational experiences of, or types of programs for, the LEP students in their study, the title VII and non-title VII LEP students and programs evaluated by AIR researchers may not have been comparable. 11/ Moreover, these critics pointed out that LEP students may not have participated in bilingual education programs long enough to determine any positive effects on student achievement and attitude toward school. In addition, they stressed that there were problems with program implementation, teacher training, and the availability of appropriate curricula at the time the AIR evaluation was conducted. 12/

Department of Education Literature Review. The need for an examination of the U.S. Department of Education's policy regarding the education of LEP students prompted the U.S. Office of Planning, Budget and Evaluation within ED to conduct an in-house review of the literature on bilingual education. The 1981 study entitled, Effectiveness of Bilingual Education: A Review of the Literature, remains one of the most comprehensive reviews to date on this subject. The ED authors, Keith A. Baker and Adriana A. de Kanter, examined over 300 studies concerning bilingual education. Because they believed most of the bilingual education studies and local program evaluations to be of such poor

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cation, 1975; and Tucker, G. Richard. The Linguistic Perspective. In Bilingual Education: Current Perspectives/Linguistics, II. Arlington, VA, Center for Applied Linguistics, 1977.

11/ See Cardenas, Jose A. Response I. In Epstein, Noel. Language, Ethnicity and the Schools. Washington, Institute for Educational Leadership, 1977; Bissell, Joan S. A Review of the Impact Study of ESEA Title VII Spanish/English Bilingual Education Programs. Office of the Auditor General, California State Legislature, March 1979; and Center for Applied Linguistics. Response to AIR Study Evaluation of the Impact of ESEA Title VII Spanish/English Bilingual Education Program. Arlington, VA, memorandum, April 18, 1977.

12/ Ibid.

quality, however, Baker and de Kanter based their conclusions on only 28 studies that were supported by what they considered to be methodologically sound research designs. Their literature review focused on two major questions: (1) Does bilingual education lead to better performance in English? and (2) Does bilingual education lead to better performance in non-language subject areas?

Baker and de Kanter concluded that special programs designed to overcome language difficulties in school can improve the achievement level of LEP students. The case for the effectiveness of bilingual education, however, was so weak based upon the performance data (i.e., academic achievement gains) of LEP students, according to the researchers, that the Federal Government should not place exclusive reliance on this instructional method for teaching all LEP students. Consequently, the researchers recommended that each school district should decide what type of special program and instructional approach is most appropriate for meeting the needs of its LEP students.

In addition, Baker and de Kanter found no justification for assuming that it is necessary to teach non-language subjects to LEP students in their home language in order for them to make satisfactory progress in school. The researchers suggested that LEP students can be taught successfully in a second language if the second language and subject matter are taught simultaneously so that the subject content never gets ahead of the language instruction required to understand the subject material. However, Baker and de Kanter did not address the rate of student progress under this instructional approach. Further, they contended that immersion programs, such as those implemented in Canada, show promise and should be evaluated for their effectiveness in improving academic achievement and English-language proficiency of lower socio-economic LEP students in the U.S. Baker and de Kanter stressed the need for improvement in the quality of bilingual education program evaluations and the need to evaluate the effectiveness of alternative instructional approaches in meeting the needs of LEP students.

NCBR Synthesis of Bilingual Education Program Evaluations. Upon completion of the Baker and de Kanter study, the Office of Planning, Budget and Evaluation of the U.S. Department of Education awarded the National Center for Bilingual Research (NCBR) a contract to test the appropriateness of procedures combining the quantitative results of different research studies on the effectiveness of bilingual education programs in the U.S. The 1983 study entitled, *Synthesis of Reported Evaluation and Research Evidence on the Effectiveness of Bilingual Education Basic Projects*, involved a statistical analysis of 1980-81 ESEA title VII program evaluation reports prepared by local project directors. An examination and analysis of the evaluation data available to the researchers, however, revealed serious limitations that made it impossible to make definitive statements regarding the effectiveness of local bilingual education programs. Essentially, of the 355 Basic Project evaluation reports reviewed (which represented 65 percent of all funded projects), only 84--or 24 percent--passed all criteria necessary for the analysis. Consequently, the findings from the sample could not be considered representative of all funded Basic Projects.

Nevertheless, for the 1980-81 academic year, the researchers reported overall achievement gains for LEP students in the sample of Basic Projects they evaluated. Achievement gains were "greatest in mathematics, substantial in reading, and less pronounced in language arts." The researchers cautioned, however, that no inferences regarding the overall effectiveness of bilingual education programs could be drawn from these data.

however, that no inferences regarding the overall effectiveness of bilingual education programs could be drawn from these data.

Willig's Synthesis of Bilingual Education Program Evaluations. Given past difficulties in attempting to synthesize evidence related to the effectiveness of bilingual education programs, Ann C. Willig conducted a statistical synthesis of the same literature on bilingual education that had been reviewed narratively by Baker and de Kanter. 13/ In her report entitled, A Meta-Analysis of Selected Studies on the Effectiveness of Bilingual Education, Willig states four reasons for resynthesizing the same literature: (1) to provide a check on the Baker and de Kanter conclusions by using a different review methodology; (2) to yield a comparison of the two methodologies; (3) to extract detailed and meaningful information from the data that might provide a better understanding of the dynamics and effects of bilingual education programs; and (4) to identify research issues needing further attention that concern meta-analysis and bilingual education. 14/

To obtain information that she considered would be most meaningful for the field of bilingual education in the United States, Willig added two selection criteria to those used by Baker and de Kanter in choosing studies for inclusion in her analysis: (1) the bilingual program had to be located in the U.S.; and (2) the program had to be a regular school program serving students in grades K-12. The addition of these two selection criteria excluded five studies from the original sample reviewed by Baker and de Kanter.

13/ Willig, Ann C. A Meta-Analysis of Selected Studies on the Effectiveness of Bilingual Education. Review of Educational Research, v. 55, fall 1985. p. 269-317.

14/ Meta-analysis procedures are statistical techniques for combining the quantitative results of different research studies that examine the same program or treatment, making it possible to draw overall conclusions.

Willig's synthesis of the literature concluded "overall significant, positive effects for bilingual education programs [over regular class placement] both for [achievement] tests administered in English and [on achievement] tests administered in Spanish. [S]ignificant effects favoring bilingual education [over regular class placement] were found for [LEP students in] (a) reading in English, (b) language in English, (c) mathematics in English, and (d) total achievement in English. For tests not administered in English, significant effects favoring bilingual education [over regular class placement] were found for [LEP students in] (a) listening comprehension, (b) reading, (c) writing, (d) total language, (e) mathematics, (f) social studies, and (g) attitudes toward school or self," (p. 277). 15/

Willig emphasized that while her research synthesis revealed positive effects in academic achievement favoring LEP students in bilingual education programs over those enrolled in regular classes, most research conclusions regarding the effectiveness of bilingual education reflect the weaknesses of the research design itself rather than effects of the actual program. Similarly, some researchers might question the validity of Willig's research synthesis and the conclusions she draws based on her research design. The positive effects of bilingual education programs that Willig found in all major academic subjects, whether tests were administered in English or in other languages, became apparent only after she applied statistical controls to the data to correct for a number of major methodological weaknesses that were identified in the individual studies. Willig concluded that bilingual education has been badly served by research that was inadequate in design and that made inappro-

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15/ Effects or effect sizes are measures of the difference or deviation of the group or sample average from the total population average on some measure, e.g., achievement test scores.

priate comparisons of students in bilingual education programs to students who were dissimilar in many crucial respects.

Teaching Reading to Bilingual Children Study. In June 1978, the National Institute of Education (NIE) contracted with the Southwest Educational Development Laboratory (SEDL) to conduct a longitudinal study entitled, Teaching Reading to Bilingual Children. 16/ It focused on the development of reading skills from kindergarten through fourth grade for a representative sample of over 350 children from bilingual backgrounds, and for smaller samples of children who, upon school entry, were monolingual in English or Spanish. The majority of these students were from Spanish-language backgrounds and from low-income families in the State of Texas. Twenty schools and 200 teachers from 6 school districts participated in the study.

The researchers found that the LEP students participating in the study "generally, made considerable progress in acquiring skill in English; less growth was observed in their performance in Spanish," (p. 18). For the overall sample, oral language and word recognition skills in English were above the levels normally expected for students in the participating schools at each grade throughout the primary grades. Reading comprehension in English showed growth slightly above the expected rate. LEP students with relatively higher Spanish oral language skills at school entry had growth rates in English reading comprehension that exceeded those of students with relatively lower Spanish oral skills upon entering school.

The study identified a number of instructional patterns and teacher behaviors that were associated with academic gains of LEP students in bilingual programs. They included: (1) a strong focus on academic work with time being

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16/ This study was conducted by Betty J. Mace-Matluck, Wesley A. Hoover, and Robert C. Calfee during the years 1978 through 1984.

spent on textual or printed materials; (2) time allocated to reading and academic group discussions (as opposed to extensive use of seatwork assignments); (3) use of active teaching practices, reflecting a large amount of instruction from and interaction with the teacher; (4) high achievement expectations for LEP students, i.e., assigning tasks that challenge the students but allow consistent success; (5) efficient and effective classroom management; (6) use of the home language with LEP students some of the time; and (7) use of English primarily during English-medium instructional periods and use of Spanish primarily during Spanish-medium instructional periods.

Effectiveness of Several Immersion Programs With Low-Income, Language-Minority Students in the United States

While the great preponderance of local programs serving LEP students have been of the "bilingual education" nature, providing subject matter instruction in the home language of the LEP students, there is some limited research on the effectiveness of several immersion projects in the United States. These findings are discussed below.

Baker and de Kanter reported on an evaluation of an English immersion program for Mexican-American students in McAllen, Texas conducted by Eva Pena-Hughes and Juan Solis (1980) entitled, ABCs: McAllen's Immersion System. 17/ The LEP students in the study were from low-income families who had minimal involvement in their children's school program.

Over a 9-month period, the 78 LEP students that were randomly assigned to the English immersion program made significant gains in both English and Spanish proficiency over 78 LEP students that were randomly assigned to the

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17/ Baker, Keith A., and Adriana A. de Kanter. Effectiveness of Bilingual Education: A Review of the Literature. Office of Planning, Budget and Evaluation, U.S. Department of Education, Sept. 1981. p. 71-72.

bilingual education program, according to Baker and de Kanter. The LEP students in the bilingual education program were taught through an instructional approach that some experts regard as pedagogically questionable (Baker and de Kanter, p. 72). Under this instructional approach, generally called concurrent translation, the bilingual teacher immediately follows statements made in the home language with the English translation or vice versa. Baker and de Kanter, however, argue that "this approach is counterproductive because students tune out the language they least understand and, in effect, receive only half a day of instruction" (p. 72). Consequently, it is unclear whether the data should be interpreted as demonstrating the effectiveness of the immersion program or the ineffectiveness of the bilingual education program.

More recently, Russell Gersten, in an article entitled, "Structured Immersion for Language Minority Students: Results of a Longitudinal Evaluation," reported on an evaluation of a structured immersion program that has been operating for the past 7 years at a school on the West Coast. 18/ The LEP students involved are Asian or from the Pacific Islands, almost all of whom are from low-income families. The program, which was initiated in 1979, combines developmental and remedial instruction in an ungraded model for LEP students of kindergarten through sixth-grade age. Rather than isolate the LEP students by placing them in a separate classroom, the program integrates them with English speaking students working at many skill levels. All academic instruction is in English, but at a level understood by the LEP students. In addition, there are always bilingual instructors in the class who understand the LEP students' home language and translate problematic words or answer questions in the home language. Further, the curriculum is structured to carefully control the vocab-

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18/ Gersten, Russell. Structured Immersion for Language Minority Students: Results of a Longitudinal Evaluation. Educational Evaluation and Policy Analysis, v. 7, fall 1985. p. 187-196.

ulary and sequence of the lessons so that prior knowledge of English is not assumed or required.

In the intermediate grades (third through sixth), the researchers assessed all LEP students who were in the structured immersion program for at least 8 full months. They found significant improvement in reading, math, and English proficiency in two successive samples of LEP students.

At the primary level (first and second grades), the researchers measured the LEP students' academic performance in the structured immersion program in comparison to the performance of a comparable group of LEP students enrolled in the school district's bilingual education program. Seventy-five percent of the LEP students in the structured immersion program were at or above grade level in reading, and 96 percent were at or above grade level in math. By contrast, of the LEP students in the bilingual education program, only 19 percent were at or above grade level in reading; 62 percent were above grade level in math.

These results, according to Gersten, would seem to indicate that the structured immersion program was an effective approach for acquisition of reading and math skills and proficiency in written English for low-income Asian students entering school with limited-English proficiency. There also appears to be evidence that the program's effects were maintained up to 2 years after the LEP students completed the program.

In their article, "A Case for Structured Immersion," Russell Gersten and John Woodward reported evaluation results on another structured immersion program that has been in existence for 16 years. 19/ This structured immersion program in Uvalde, Texas is quite similar in design to the program described above. The program is highly structured; all academic instruction is in

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19/ Gersten, Russell, and John Woodward. A Case for Structured Immersion. Educational Leadership, Sept. 1985. p. 75-79.

above. The program is highly structured; all academic instruction is in English; no prior knowledge of English is assumed; the introduction of vocabulary is carefully controlled; and the instructors translate problematic words or answer questions in the students' home language when necessary. Ninety-eight percent of the students in this program are Hispanic and come from low-income families, and 60 to 80 percent are classified as LEP.

The measure of the program's effectiveness, according to Gersten and Woodward, would appear to be the consistent student achievement over 11 successive groups of LEP students, all of whom participated in the program for 3 full years. However, the lack of a comparable control group of pupils makes it impossible to attribute the pupils' success to the structures immersion program with certainty. All LEP students achieved above, or near, the national norm on the language subtest of the Metropolitan Achievement Test. From 1973 through 1983, all but 3 of the 11 groups of LEP students scored above the national norm; 5 scored above the 60th percentile. In math, all LEP students again performed at, near, or above the national median level during the same years. The median score for these LEP students over the last 10 years has been at the 30th percentile on the Metropolitan reading; reading scores in each of the last 2 years have been at the 34th percentile.

It is important to note that both of the structured immersion programs discussed above are highly structured; teachers use direct instruction, with remedial and developmental materials. The instructors are bilingual, enabling them to translate words or answer questions in the LEP students' home language. In addition, the introduction of English vocabulary is carefully controlled, and the instructional lessons are carefully sequenced in both programs. Further, in the case of the latter program, the LEP students participated in the program for 3 full years.

In contrast to these structured immersion programs, the Canadian immersion programs generally do not use the students' home language during academic instruction. Despite the frequently cited success of the immersion model in Canada, critics of immersion argue that Canadian students participating in immersion programs are typically proficient in their home language and not generally at risk of losing that proficiency, unlike many LEP students in the United States. In addition, according to some of these critics, many of these Canadian students are from middle-income families that tend to be involved in their children's education and value the ability to speak a second language.

ADDITIONAL PROGRAM BACKGROUND INFORMATION AND ISSUES

This section briefly describes the general characteristics of LEP students in the U.S. In addition, the section traces the development of current Federal bilingual education policy and identifies several issues related to the current Federal policy debate over bilingual education.

Characteristics of LEP Students

Spanish is the predominant native language of LEP students in the U.S., followed by the various Southeast Asian languages; a wide variety of other languages are also spoken by much smaller numbers of LEP students. The majority of LEP students are born in the mainland U.S., although significant numbers come from Mexico, Puerto Rico, and Southeast Asia.

LEP students generally tend to be slightly older than their grade-level peers and perform, on the average, below grade-level expectations in most academic areas, including native language proficiency. These students, especially Hispanics, are more likely to repeat a grade in school and tend to drop out of school more frequently. The majority of LEP students come from low-income families that often are less involved in their children's school activities than are middle-income families.

The LEP students, particularly Hispanics, are concentrated in border States or States that historically have served as areas of entry into the U.S.; the States having relatively large populations of LEP students are California, Texas, Florida, New Jersey, New York, and Illinois. Importantly, the LEP student population is growing at a much faster rate than is the general school-age population in the United States.

The Debate Over the Funding Restriction on the Use of Part A Funds

The continuing controversy about instructional programs for LEP students centers primarily on goals and the appropriate strategies for accomplishing these goals. Some have argued that programs should focus on English language instruction so that LEP students might compete more effectively for education and employment in an English-speaking society. Others contend that instruction in English is academically ineffective and discourages the preservation of native language and culture. Still others maintain that existing bilingual education programs in the United States are so poorly designed or funded that they have little impact on native language maintenance or cultural identity.

The funding restriction under current law (P.L. 98-511), that requires 75 percent of the title VII appropriation for local school district programs (part A) to be used to support programs of transitional bilingual education, has been challenged by the Secretary of Education as well as some Members of Congress. These critics point out that the Bilingual Education Act is the only Federal program that prescribes a specific instructional approach for serving the target population. Further, opponents of the funding restriction contend that no conclusive evaluation results or research findings show that transitional bilingual education is superior to other instructional approaches in improving the English language proficiency of LEP students in general. Consequently, these critics argue that is inappropriate for the Federal Government to require a particular program design or instructional approach for the vast majority of local projects funded under the Federal bilingual education program. They assert that all Federal funds appropriated for local school district programs should be made available without restriction for the support of whatever types of instructional approaches or program designs local school districts deem most appropriate for meeting the educational needs of their LEP students. Further, some opponents of the funding restriction maintain that local school districts have insufficient flexibility under current law in determining whether to provide native or home language instruction and the extent and duration of such instruction to be used in local programs for LEP students; they argue that removal of the funding restriction would encourage more innovation at the State and local levels in designing instructional programs for LEP students.

Opponents contend that the Federal funding restriction under the Act favoring the support of transitional bilingual education benefits local school districts with large numbers of LEP students having the same home language, and discriminates against local school districts with large numbers of LEP students having many different and/or unusual native languages. That is, transitional bilingual education programs, which require an instructor who can teach students in their native language as well as instructional materials written in the native language, are more cost-effective for local school districts that have large numbers of LEP students who speak the same home language. By contrast, local school districts that have large numbers of LEP students who speak many different and/or unusual native languages may not be able financially to support the costs of employing teachers and purchasing or developing instructional materials for transitional bilingual education programs in each individual native language of their different language-minority groups.

Supporters of the funding restriction, however, contend that the years of experience with TBE show it to be effective in a wide range of real-world circumstances not restricted to pilot program, special study instances. They contend that the great majority of LEP students are native speakers of only a few languages, mainly Spanish, and come from lower socioeconomic environments where TBE is well proven and cost effective. TBE supporters fear that further loss of requirement for home language competence by teachers will result less in innovation than dilution of resources, effort, and results. Moreover, they emphasize that the Bilingual Education Act is the only Federal education program that specifies financial support for programs of transitional bilingual education; they stress that local school districts are not required to provide programs of transitional bilingual education to secure Federal aid. These proponents of the funding restriction point out that Federal funds under other Federal education programs such as chapter 1 of the Education Consolidation and Improvement Act of 1981 (education for disadvantaged children) are currently available for the support of alternative instructional approaches to transitional bilingual education. In fact, more LEP students are currently receiving English language instruction under the chapter 1 program than under the Bilingual Education Act. Some TBE supporters fear that removal of the funding restriction favoring transitional bilingual education may increase the competition for these limited Federal funds by extending eligibility for title VII assistance to any local school district serving LEP students regardless of the type of language instruction program offered such students. Further, supporters of transitional bilingual education stress that evaluation and research data are also inconclusive regarding the effectiveness of alternative instructional approaches to transitional bilingual education, such as immersion and English as a second language. They contend that while TBE may not be universally superior to alternative instructional approaches in improving the English language proficiency and academic achievement of LEP students in general, specific TBE programs have been identified in individual schools or local school districts that have proven to be extremely effective in improving the English language proficiency and academic achievement of particular LEP students.

Authorizing legislation introduced in the 99th Congress seemed to reflect findings favoring increased innovation in, and local tailoring of, education for limited English-proficient students. This legislation formulated by the Secretary of Education would have made Federal financial assistance under the Bilingual Education Act available for LEP students without mandating a specific method of instruction. The companion bills, H.R. 4538 (Jeffords) and S. 2256 (Quayle), in removing the restrictions on the use of funds for the support of transitional bilingual education programs and alternative instructional approaches, aimed at encouraging innovation at the State and local levels through greater administrative flexibility and improved program operations at the Federal level. Neither bill expanded upon these legislative goals. Unlike current law, both bills would have made all funds under part A of the Bilingual Education Act available for the support of any or all instructional approaches for teaching LEP students. Further, the two bills would have allowed local school districts receiving these Federal funds to determine the instructional approach most appropriate for meeting the needs of their particular LEP students in their particular local communities. Aside from removing the restrictions on the use of funds available for the support of local school district programs, both bills would have retained all other provisions of current law and would have maintained all current program structures. On June 5, 1985, the Senate Subcommittee on Labor and Human Resources and the Subcommittee on Governmental Affairs held joint hearings on S. 2256; there was no further action on either bill.

Development of Current Federal Bilingual Education Policy

Current Federal bilingual education policy developed as a result of two parallel courses of action: civil rights activity in response to the *Lau* decision and the evolution of the Federal bilingual education program under title VII of the amended Elementary and Secondary Education Act (which was previously described in the legislative history section). Both the civil rights and the title VII requirements evolved from an initial stage of allowing substantial discretion to local school districts, to a stage of prescribing the instructional approach to be used by local school districts, to the current stage of re-examining the Federal requirements placed upon local school districts regarding the education of LEP students. The civil rights activity in response to the Lau decision is described below.

Civil Rights Activity in Response to the Lau Decision

In the 1974 Supreme Court case Lau v. Nichols (414 U.S. 563 (1974)), the U.S. Supreme Court ruled that the failure of the San Francisco school system to provide special language instruction to LEP children of Chinese-speaking parents denied those children equal educational opportunity under title VI of the Civil Rights Act of 1964, and a meaningful opportunity to participate in the public school system. The Court noted, "No specific remedy is urged upon us. Teaching English to students of Chinese ancestry is one choice. Giving instruction to this group in Chinese is another. There may be others." It is important to distinguish that the Court's Lau decision requires all local school districts receiving any Federal funding to provide some type of special instruction to LEP students, while the requirements of the Bilingual Education Act are only applicable to local school districts applying for grants under the Act.

In 1975, a task force appointed by then Commissioner of Education Terrell Bell issued recommendations for providing special language instruction to LEP students, as required under the Supreme Court's Lau decision. These task force recommendations, subsequently published by the Office for Civil Rights (OCR) as the "Lau remedies," did not specifically mandate bilingual education, but they encouraged local school districts to implement bilingual education programs whenever feasible; this instructional approach was only one of the possible remedies noted by the Supreme Court in the Lau decision. The "Lau remedies" also recommended that LEP students should receive instruction about their native cultures, an issue not addressed by the Court in its Lau decision. Local school districts were required to demonstrate that they had some kind of effective instructional program for LEP students or risk losing their Federal funds. Although the "Lau remedies" were never formally promulgated into regulations, OCR negotiated compliance agreements with over 500 local school districts based on these remedies since 1975.

Subsequently, in 1980, then Secretary of Education Shirley Hufstedler issued proposed Lau regulations to replace the "Lau remedies." These proposed regulations were controversial because they would have required local school districts to teach LEP students in their native languages. Critics of the Lau regulations contended that they were too prescriptive in specifying identification and assessment procedures as well as instructional approaches for use with LEP students. Because of the subsequent and substantial controversy over the proposed regulations, Secretary of Education Terrell Bell withdrew them in 1982. Since that time, no substitute regulations have been proposed; and therefore, the 1975 "Lau remedies" theoretically remain in effect. During the same time that Federal education policymakers were responding to the Lau decision, however, they were also developing the Federal bilingual education program under title VII of ESEA.

Limiting the Target Population

During the 1984 reauthorization of the Bilingual Education Act, the Administration proposed limiting program eligibility to children whose usual language is not English. Differing estimates by ED and bilingual researchers of the number of limited English-proficient school-aged children range from 1.2 million to 3.6 million. Estimates of the number of children within this category whose usual language is not English are much smaller, ranging from 700,000 to 1.6 million. Thus, this proposed revision would have limited the number of children who would be eligible to participate in the program. It is difficult to determine how proficiency relates to one's "usual" language. Language-minority children could learn enough English to speak it as their "usual" language, but those same children may not be able to read, write, and comprehend effectively in either English or their native language. A strict interpretation of "usual" may limit the eligibility for title VII to programs serving recent immigrants, eliminating programs serving second and third generation native-born children who are not proficient in English. According to the National Center for Education Statistics, neither language usage nor parent-rated English-speaking skills identify language-minority children with special educational needs related to English proficiency. Of the children tested as limited English-proficient in the 1978 Children's English and Services Study (CESS), 56 percent were reported by their parents to speak English as their usual language. Nearly 3 out of 5 children rated by their parents as speaking English very well or well, tested as lacking the understanding and speaking skills, as well as the reading and writing skills, needed to succeed in school programs designed for majority English-speaking children.

On the other hand, proponents of the Administration's position argue that necessarily limited funds should be concentrated on those children most in need of assistance. Further, they argue that children whose usual language is English would be best served by participation in more general compensatory education programs, rather than those under the Bilingual Education Act.

SOURCES OF ADDITIONAL INFORMATION

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VIII. THE IMPACT AID PROGRAMS UNDER PUBLIC LAWS 81-874 AND 81-815: FINANCIAL ASSISTANCE FOR LOCAL EDUCATION AGENCIES IN AREAS AFFECTED BY FEDERAL ACTIVITIES

SUMMARY OF PROGRAM PURPOSE AND STRUCTURE

The Impact Aid programs operate under companion pieces of legislation: P.L. 81-874 and P.L. 81-815. Public Law 81-874, relating to the maintenance and operation of school facilities, provides financial assistance to local school districts in areas where enrollments and local revenues are adversely affected by Federal activities. These areas are defined by law to include military bases, government offices, Indian lands, and low-rent, public housing. Public Law 81-815, relating to the construction of school facilities, provides financial assistance to compensate school districts for the cost of providing adequate schools for federally connected children (i.e., Indian children and children whose parents live and/or work on Federal property or are in the uniformed services).

Public Law 81-874

The Impact Aid program under P.L. 81-874 provides financial assistance primarily through formula grants to local school districts in federally affected areas (i.e., areas in which the Federal Government owns property thereby reducing local tax income for school purposes, or areas in which a Federal activity or project results in an increased number of children to be educated by the local school district). These funds are used by local school districts for their general maintenance and operating expenses, with one exception--some Impact Aid funds must be used for programs designed to meet the special educational needs of federally connected handicapped students. 1/ (By contrast, most other Federal education assistance is categorical in nature and must be used for a specific program purpose; e.g., Federal grants under chapter 1 of the Education Consolidation and Improvement Act must be applied toward the education of disadvantaged children residing in low-income school attendance areas, i.e., school attendance zones with relatively high numbers or proportions of children from poor families). P.L. 81-874 distributed $645,975,000 in FY 1986 to approximately 3,100 school districts--almost one out of every 4 in the Nation. These Impact Aid payments were made on the basis of 2 million federally connected children (i.e., Indian children and children whose parents live and/or work on Federal property or are in the uniformed services) out of a total national public school enrollment of approximately 40 million. In addition, P.L. 81-874 provides assistance to local school districts for the repair of school facilities damaged by a natural disaster like a flood, hurricane, etc.

Public Law 81-815

The Impact Aid program under P.L. 81-815 provides financial assistance usually through direct grants to local school districts in federally affected areas. These funds are used by local school districts to construct and repair

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1/ The additional Impact Aid funds over and above the basic per pupil entitlement received for federally connected handicapped students must be used by local school districts for the support of programs or projects designed to meet the special educational needs of these students.

urgently needed school facilities for federally connected children. Construction assistance necessitated by major natural disasters is also provided through this program. P.L. 81-815 distributed $16,750,000 in FY 1986 to school districts for the support of approximately 18 new or on-going school construction projects.

Expansion of the Impact Aid Programs

The Impact Aid programs under P.L. 81-874 and P.L. 81-815 were enacted in 1950, officially establishing a Federal policy for assisting school districts that were financially burdened as a result of existing, new, or expanded Federal activities or projects (e.g., dams, military bases, etc.). (It should be noted that there were ad hoc appropriations for this purpose dating from World War II.) The two principal reasons for the enactment of this legislation were that Federal ownership of property within a local school district reduces local tax income for school purposes, and a Federal project or activity frequently results in an increased number of children to be educated by the local school district (H. Rept. 2287, 81st Congress).

The primary focus of the Impact Aid programs at that time was to respond to increases in the school-age populations in centers of defense production and near military installations. Since then, the provisions of the programs have been expanded to include additional compensation to districts for certain children residing on Indian lands (1958) as well as on certain federally subsidized, low-rent, public housing properties (1974).

From the inception of these two programs, total Impact Aid expenditures increased from $104 million in FY 1950 to a high of over $800 million in FY 1980, in current dollar terms (i.e., not adjusted for price level changes). This increase resulted primarily from the extension of program eligibility to additional types of federally connected children, expansion of the definition of eligible "Federal property" in authorizing legislation, and increased expenditures for elementary and secondary education. In FY 1981, however, total Impact Aid appropriations began to decline from their FY 1980 level, largely as a result of budgetary limitations enacted in the Omnibus Budget Reconciliation Act of 1981 (P.L. 97-35). Although total Impact Aid appropriations have gradually increased since FY 1983 to the current FY 1987 funding level of $717.5 million, they have not reached the FY 1980 funding-level high.

Section 3 of Pubic Law 81-874

The Section 3 program of P.L. 81-874 accounted for over 90 percent of the total Impact Aid appropriations for FY 1986. (See appendix for a description of the various sections under P.L. 81-874 and P.L. 81-815.) Local school districts are eligible to receive section 3 assistance if they enroll at least 400 federally connected children or if at least 3 percent of their total number of students in average daily attendance are federally connected children. Each school district's section 3 payment represents a percentage of its *local contribution rate*, which is defined as the average amount of current educational expenditures derived from local revenue sources. The authorized payment rate for section 3(a) children (children of parents who live *and* work on Federal property or are in the uniformed services, and children residing on Indian lands) ranges from 30 percent to 100 percent (125 percent for Indian children). The authorized payment rate for students classified as section 3(b) children (children of parents who live *or* work on Federal property or are in the uniformed services) is 1.5 percent to 17 percent of the school district's local contribution rate. The authorized payment rates, in recent years, have been established by the appropriations committees. The higher rates for section

3(a) children reflect the fact that their parents live and work on Federal property, which is not subject to local taxation; the lower rates for section 3(b) students reflect the fact that their parents live or work on such non-taxable Federal property, resulting in less of a local revenue loss since presumably either their residence or place of employment is subject to local taxation. In addition, for military and Indian handicapped children, the authorized payment rate is increased by 50 percent if the local school district is providing a school program designed to meet the special educational and related services needs of such students.

The Impact Aid programs are administered by the Division of Impact Aid in the U.S. Department of Education. Local school districts apply directly to the U.S. Department of Education for Impact Aid assistance.

A BRIEF LEGISLATIVE HISTORY

Over the years, the Impact Aid programs have been the object of much debate and numerous legislative proposals and amendments. This section provides a brief legislative history of the Impact Aid programs from 1950 to present, with a primary focus on the period beginning in 1974. The history includes only major, substantive amendments that were enacted, as opposed to minor technical amendments to these companion pieces of legislation and legislative proposals that were not enacted.

As originally enacted in 1950, the Impact Aid programs were authorized for 3 years to provide Federal financial assistance under four circumstances: (1) local school districts in which the Federal Government had acquired (since 1938) substantial real estate property that was tax-exempt, thus reducing local tax income for school purposes; (2) local school districts providing a free public education for substantial numbers of federally connected students;

(3) local school districts adversely affected by sudden and substantial increases in enrollments by federally connected students; and (4) payments to other Federal agencies for the operation of schools for federally connected students where local school districts could not provide a free public education for them--usually schools on military bases.

While the basic structure and purpose of the Impact Aid programs have remained intact since their enactment in 1950, the programs have been frequently amended. The effect of these amendments, with certain exceptions, has been to increase the number of local school districts receiving Impact Aid payments and the amounts of those payments. Over the 20 years (1953 through 1973) that followed the initial 3-year authorization of these two programs, Congress revised the original legislation to permit children of parents in the uniformed services and Indian children to be considered as "federally connected." The definition of what constitutes "Federal property" was also expanded to include low-rent public housing property. These amendments increased the number of federally connected students that could be counted for the purpose of calculating Impact Aid payments under P.L. 81-874 and P.L. 81-815.

The method for determining the local contribution rate (LCR) was modified by establishing minimum LCRs equal to one-half the State average per pupil expenditure and one-half the national average per pupil expenditures as alternatives to the comparable district method for computing LCRs. In addition, Congress revised P.L. 81-874 a number of times regarding the method for determining comparable districts. These amendments increased the local contribution rates of some school districts for the purpose of calculating Impact Aid payments under P.L. 81-874.

The eligibility requirements for participation in the P.L. 81-874 program were also lowered during this 20-year period prior to 1974. Specifically, Congress established minimum requirements of 400 federally connected students or three percent of the total average daily attendance comprised of federally connected students, whichever is less, for school districts to be eligible for Impact Aid assistance. The effect of these amendments was to make larger school districts with fewer federally connected students eligible for Impact Aid payments under P.L. 81-874.

Congress also revised P.L. 81-874 to discontinue deducting from Impact Aid payments the payments made by other Federal agencies to school districts to compensate for local property tax losses resulting from Federal property ownership. The effect of this amendment was to increase the Impact Aid payments under section 2 of P.L. 81-874 for some school districts.

By contrast, over this same period, Congress established more stringent eligibility criteria for receipt of school construction assistance under P.L. 81-815, and reduced the amounts that the Federal Government would pay under this program. These amendments reduced the Federal share of the cost of constructing school facilities for section 3(b) students and explicitly stated that the school construction program would provide financial assistance only for federally connected students that were "unhoused"--students for whom minimum school facilities were not available. This reflected a significant change from the original legislation, which referred to the construction of "complete school facilities."

Perhaps the most extensive reforms to the Impact Aid programs were enacted in the Education Amendments of 1974, P.L. 93-380. A significant feature of the 1974 amendments was the introduction of the "tier system," which was intended to direct the way section 3 payments under P.L. 81-874 were to be prorated (among entitlements based on different types of federally connected pupils), when the program was less than fully funded, and to ensure that payments would be made on behalf of children residing in low-rent housing properties. (Although low-rent housing children had previously been eligible for funding, special earmarking of appropriations was necessary to make these payments; through 1974, no appropriations had been made available for low-rent public housing payments.) It should be noted that in recent years the tier system has not been used by the appropriations committees.

Under previous law, local school districts were authorized to receive section 3 payments equal to 100 percent of their local contribution rates for all section 3(a) students, and 50 percent of their local contribution rates for all section 3(b) students. By contrast, P.L. 93-380 established 3 subcategories of section 3(a) students and 4 subcategories of section 3(b) students with different maximum authorized payment rates. That is, these subcategories were assigned specific percentages of the school district's local contribution rate, percentages that were intended to reflect the degree of Federal burden on the local school district posed by each type of federally connected student for whom the school district was providing a free public education. School districts having 25 percent or more section 3(a) students in average daily attendance--or "Super A" districts, however, continued to receive payments equal to 100 percent of their local contribution rates for all section 3(a) students. In addition to reducing the percentage of local contribution rate used in calculating certain types of section 3 payments, the 1974 amendments excluded from eligibility under section 3 any students whose parents were employed on Federal property located in a State other than that in which the local school district was located.

Although previous law since 1958 had extended Impact Aid assistance to Indian children, they were generally classified as section 3(b) children for purposes of calculating Impact Aid payments because they usually lived with parents residing on tax-exempt Indian lands who were not employed on Federal property. However, because Indian children's parents earned their livelihood from farming or other work on the reservations, there was frequently no non-Federal place of employment. Thus, very little local revenue could be raised to support the cost of providing these children a free public education. For these reasons the Education Amendments of 1974 provided that all children residing on Indian lands be classified as section 3(a) students and that local school districts receive section 3 payments equal to 100 percent of their local contribution rates for these children.

The 1974 amendments also prohibited States from counting Impact Aid payments as local revenues in determining a local school district's share in a State educational aid program. However, the 1974 legislation added a waiver to this prohibition for States that have a program to equalize educational expenditures among local school districts within the State.

Another significant feature of the 1974 amendments was the inclusion of 4 hold-harmless provisions to limit reductions in Impact Aid payments. In addition to a general hold-harmless that applies to any reductions in section 3 payments under P.L. 81-874, 3 specific hold-harmless provisions were included to limit payment reductions effected by the 1974 amendments related to out-of-county and out-of-State section 3(b) students, low-rent public housing children, and specific military base closings.

The Education Amendments of 1978, P.L. 95-561, readjusted the "tier system" established by the 1974 legislation. These amendments reduced the Impact Aid amounts to be paid for certain subcategories of federally connected students, and relaxed the constraints of the tier system in determining appropriations for section 3. P.L. 95-561 also lowered the eligibility for "Super A" status from 25 percent to 20 percent of total average daily attendance comprised of section 3(a) students. Further, the 1978 legislation provided that military section 3(b) students be treated as section 3(a) students for purposes of calculating section 3 payments under P.L. 81-874.

The Education Amendments of 1978 also repealed the section 3(b) absorption provision that required local school districts to absorb the educational expenditures for some of their section 3(b) students when the total number of section 3(b) children was less than 10 percent of the school district's total average daily attendance, or where financial dependency on section 3(b) funds was less than 25 percent of the school district's total current expenditures. In addition, P.L. 95-561 extended the hold-harmless provisions established by the Education Amendments of 1974 (P.L. 93-380) that limited reductions in section 3 payments related to specific military base closings and out-of-State and out-of-county section 3(b) students, but let expire the hold-harmless provision related to low-rent public housing students as well as the general hold-harmless that applied to any reductions in section 3 payments. The 1978 amendments also modified the maximum authorized payment rates that are used to determine school construction payments to conform to the percentages used to calculate section 3 payments.

The Education Amendments of 1978 authorized a study of the Impact Aid program under P.L. 81-874. The study was to include an evaluation and review of the equity of the funding structure, the relative benefits of program assistance, and ways in which federally impacted school districts could be helped in meeting their educational needs. The study was to be completed by December 1979.

The next major legislative reforms to the Impact Aid programs were enacted under the Omnibus Budget Reconciliation Act of 1981, P.L. 97-35. P.L. 97-35 transferred budget responsibility and funding under P.L. 81-874 for section 6 (military) schools to the Department of Defense; administrative authority for section 6 schools, however, remained with the Division of Impact Aid in the Department of Education. Importantly, the 1981 legislation provided for a 3-year phaseout of section 3(b) payments beginning in FY 1982, with no payments authorized for FY 1984. P.L. 97-35 also established a "minimum payment" provision for sections 3(a) and 3(b) of $5,000 per local school district that was applied from FY 1982 through FY 1984. Consequently, an estimated 1,700 school districts became ineligible to receive Impact Aid assistance under section 3 of P.L. 81-874 because their projected "payments" were not greater than $5,000 in fiscal years 1982 through 1984. In addition, P.L. 97-35 eliminated funding for FY 1982 through FY 1984 for payments to local school districts experiencing sudden and substantial increases in attendance due to U.S. activities (section 4 of P.L. 81-874).

More recently, the **Education Consolidation and Improvement Act Technical Amendments Act of 1983, P.L. 98-211**, modified the way Hawaii was treated for purposes of calculating its section 3 payments under P.L. 81-874. Specifically, Hawaii's 7 administrative districts are treated as separate school districts, but Hawaii's section 3 payments could not be more than 110 percent of what its payments would have been if Hawaii had been treated as 1 large school district for fiscal years 1984 through 1986. This payment cap is no longer in effect beginning with FY 1987.

Currently, both Impact Aid programs are authorized through FY 1988 under title III of the Education Amendments of 1984, P.L. 98-511. P.L. 98-511 authorizes the continuation of section 3(b) payments through FY 1988; as previously discussed, these payments under P.L. 81-874 were to be phased out by the end of FY 1984 under provisions of the Omnibus Budget Reconciliation Act of 1981, as amended (P.L. 97-35).

Total authorizations for appropriations under the Education Amendments of 1984 for the combined Impact Aid programs are $780 and $800 million for FY 1987 and FY 1988, respectively. (No specific authorizations are set for individual sections of either Impact Aid program.) While all sections of P.L. 81-874 are extended through FY 1988, no funds are authorized to be appropriated for FY 1985 through FY 1988 for the purpose of making payments to local school districts experiencing decreases in federally connected students due to decreases in Federal activities (section 3(e) of P.L. 81-874) 2/, and to school districts experiencing sudden and substantial increases in federally connected attendance resulting from U.S. activities (section 4 of P.L. 81-874). All remaining sections of P.L. 81-874 are authorized at "such sums as may be necessary" within the limits of the total authorization ceilings for the combined Impact Aid programs stated above. While sections 3(a) and 6 of P.L. 81-874 are permanently authorized, section 2 (payments in lieu of taxes) and section 7 (disaster assistance), which were reauthorized through FY 1985 by the Department of Defense Authorization Act of 1984 (P.L. 98-94), would have expired at the end of FY 1985 if they had not been reauthorized under the Education Amendments of 1984.

2/ Decreases in the number of federally connected students may result in sudden and substantial decreases in P.L. 81-874 monies to the affected school districts. Yet, many of these school districts are dependent upon these monies for meeting pre-existing contractual obligations and fixed costs, such as teacher contracts, bus transportation agreements, etc. Consequently, an unanticipated decrease in federally connected students may result in a budget shortfall for these adversely affected school districts, even though the number of pupils may have also significantly declined.

These 1984 amendments added 2 new provisions to P.L. 81-874. First, in the case of a Federal overpayment to a local school district under section 2 of the law for any fiscal year after 1976, the Secretary of Education is prohibited from requiring, or subtracting from current Impact Aid payments, more than 10 percent of the amount of overpayment to a school district in any fiscal year. The second provision prevents the Secretary, when appropriations are insufficient to fully fund all provisions of P.L. 81-874, from prorating (i.e., reducing) additional payments made to local school districts under section 3 (d)(2)(B) to enable them to provide a level of education that is equivalent to that provided by comparable school districts in their States. Further, these amendments removed the minimum eligibility criterion of at least 10 federally connected students for local school districts to receive Impact Aid assistance under P.L. 81-874.

In addition, the Education Amendments of 1984 added a new subsection to section 3 of P.L. 81-874: any school district whose boundaries are coterminous with the boundaries of a military installation and which is not eligible for additional section 3(d)(2)(B) payments is guaranteed 100 percent of its maximum authorized payment under section 3(a).

While all sections of P.L. 81-815 are currently extended through FY 1988 under the Education Amendments of 1984, previously sections 5(a)(2) and 5(a)(3) (relating to 3(b) students) and section 16 (disaster assistance) had been allowed to expire September 30, 1983. Sections 5(a)(1), 8, 9, 10, and 14 are permanently authorized and thus do not require new authorizing legislation.

Authorizations for appropriations for all sections of P.L. 81-815 are "such sums as may be necessary" through FY 1988; however, even though these authorizations are "indefinite," they are in fact limited by the total authorization ceilings established by the Education Amendments of 1984 for the combined Impact Aid programs discussed previously.

ALLOCATION FORMULA AND PROCESS

The allocation formula for distributing Impact Aid funds in particularly complex, involving many subcomponents for each major formula component. The Impact Aid programs provide financial assistance to public elementary and secondary school districts in federally affected areas for 2 types of burden: (1) the removal, through Federal acquisition, of real estate property from the local tax rolls, thus reducing local tax income for school purposes, (section 2), and (2) the cost of educating students who either live on Federal property or who are connected with a Federal activity (section 3).

Section 2 of P.L. 81-874

Local school districts are compensated under section 2 of P.L. 81-874 for the loss of tax income due to Federal ownership of real estate property in the district (making the property non-taxable). Under section 2, a local school district is eligible for compensation if the Secretary of Education determines:

(1) the Federal Government owns property in the school district that was acquired after 1938 and that had an assessed value at the time of Federal acquisition of 10 percent or more of the assessed value of all real property in the district;

(2) the acquisition placed a substantial and continued financial burden on the local school district; and

(3) the local school district is not being substantially compensated for the loss in property tax revenue from Federal ownership by increases in local property or other tax revenue due to Federal activities carried on with respect to the Federal property.

Section 2 payments are made directly to school districts for the current fiscal year where they are usually combined with State, local and other funds that are used for general maintenance and operation expenses.

Section 3 of P.L. 81-874

Section 3 of P.L. 81-874 authorizes direct payments to local school districts on a per pupil basis for the cost of providing a free public education for children of parents who live and/or work on Federal property or are in the uniformed services. These children are classified under 2 broad categories: section 3(a) students, children living on Federal property with a parent employed on Federal property or in the uniformed services; and section 3(b) students, children whose parents live or work on Federal property or are in the uniformed services.

Under section 3, per pupil payments vary depending upon: (1) whether or not the child's parent lives and/or works on Federal property as defined by law; (2) which method is selected by the local school district to calculate how much its local contribution rate is; [3] and (3) what percentage of the local school district's total average daily attendance is made up of children who are federally connected. In addition, section 3(d)(2)(B) authorizes the Secretary of Education to make additional payments on a discretionary basis to a school district that could not otherwise provide a level of education equivalent to that provided by comparable school districts in its State, if at least 50 percent of the school district's total average daily attendance is comprised of federally connected students. With minor exceptions, local school districts are not required to use their section 3 payments for specific purposes; these payments may be combined with other revenues and used for general maintenance and operation expenses.

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[3] The local contribution rate (LCR) is defined by law as the average amount of current educational expenditures derived from local (as opposed to Federal or State) revenue sources.

A local school district's section 3 payment is derived from the number of federally connected students multiplied by a percentage of the school district's local contribution rate (LCR). These percentages are calculated to approximate the portion of the LCR lost to a school district as a result of each type of student's Federal connection.

Section 3 payments to local school districts are the product of 3 calculations:

(1) The school district's local contribution rate is multiplied by the percentage assigned to the specific type of federally connected student;

(2) The product of this calculation is then multiplied by the total number of federally connected students of this type in average daily attendance in the school district; and

(3) The product of these 2 preceding calculations is then multiplied by the various reduction factors required by authorizing legislation and/or specified by appropriations legislation. (For example, in FY 1987 local school districts having at least 15 percent but less than 20 percent of their total average daily attendance comprised of section 3(a) students, are to receive 75 percent of their maximum authorized payments; however, the FY 1987 LCR for these school districts cannot exceed 105 percent of their FY 1986 LCR.)

Local school districts have the option of selecting 1 of 3 possible methods for determining their local contribution rates. They may choose an LCR equal to one-half the national average per pupil expenditure, or an LCR equal to one-half their State's average per pupil expenditure, or an LCR equal to one-half the average per pupil expenditure of 10 generally comparable school districts in their State. When selecting the third LCR option, local school districts have some flexibility (defined by program regulations) in choosing the criteria upon which to base their comparability with other school districts in their State. School districts in relatively low educational spending States generally tend to select an LCR equal to one-half the national average per pupil expenditure; those in relatively high educational spending States usually choose an LCR equal to one-half their State's average per pupil expenditure or one-half the average per pupil expenditure of 10 generally comparable school districts in their State.

In the 1970s, as some States attempted to provide equal educational treatment for all school children in the State irrespective of the different levels of local school district wealth, Impact Aid payments disbursed directly to local school districts could potentially disrupt State efforts to provide equal treatment for all pupils. Some State statutes "equalize" State education aid to local school districts by providing per pupil aid in an inverse relationship to the local school district's per pupil wealth. The maximum amount of per pupil aid is paid to the low wealth school districts, and the minimum amount of per pupil aid, or no State education aid, is paid to high wealth school districts. If the State's equalization program meets the standards (defined by regulation) of the Impact Aid program under P.L. 81-874, the State may consider Impact Aid payments as local revenue and thus reduce State education aid to federally impacted school districts by a specified percentage. However, before a State may take this action, the U.S. Department of Education must approve this specific application of its education aid equalization program, and the respective State legislature must enact legislation that allows the State education agency to consider Impact Aid payments in calculating State education aid payments to federally impacted school districts.

The Tier System

It should be noted that if appropriations are insufficient to fully fund Impact Aid payments, section 5(c) of P.L. 81-874 provides for the application of a 3-part "tier system," or distributional payment formula. The 3 tiers of this payment formula are applied successively; that is, first Impact Aid funds are distributed via tier I, then via tier II, and finally any remaining funds are distributed via tier III. However, as described further below, this system has been by-passed in appropriations legislation for recent years. This "tier system" is briefly described below:

Tier I- 25 percent payment of all section 3(a) and 3(b) maximum authorized payments, 100 percent payment for all section 2 maximum authorized payments;

Tier II- an additional 63 to 65 percent payment of section 3(a) maximum authorized payments and an additional 28 to 32 percent payment of section 3(b) maximum authorized payments, except section 3(a) school districts having 20 percent or more of their total average daily attendance comprised of federally connected students receive an additional 75 percent payment of section 3(a) and 3(b) military maximum authorized payments;

Tier III-any remaining funds appropriated for sections 2, 3, and 4 are distributed among these sections in proportion to the amounts of unpaid maximum authorized payments under each section.

The tier II payments are authorized under 2 steps. The first step authorizes payment through 65 percent of the maximum authorized payments. The second step authorizes payment of the remaining 35 percent of maximum authorized payments at the discretion of the Appropriations Committees, provided that no local school district receives less than 90 percent of its previous year's section 3 payment. In addition, no payments may be made under tiers II or III until all payments are made under tier I. Further, tier II payments less than 65 percent of the maximum authorized payments are not allowed under authorizing legislation.

From FY 1976 through FY 1978, Impact Aid appropriations for school maintenance and operations were adequate to fund 100 percent of maximum authorized payments under tiers I and II. Beginning in FY 1979, however, appropriations were no longer sufficient to fund 100 percent of the first 2 tiers. Consequently, the appropriations legislation began to modify the payment requirements in subsequent fiscal years, reducing section 3(b) payments while fully funding most of the section 3(a) payments. The significance of the tier system has declined since FY 1981; while it remains in place, it has not been used to distribute Impact Aid funds under P.L. 81-874 in the past 5 fiscal years. Instead, the annual appropriations legislation has specified how Impact Aid payments under P.L. 81-874 are to be allocated.

Distribution of Section 3 Funds Under Current Law

Currently, under the continuing resolution making appropriations for FY 1987 for Department of Education programs, P.L. 99-500, section 3(a) funds are to be allocated at 100 percent of maximum authorized payments for those school districts where section 3(a) students comprise 20 percent or more of the total average daily attendance, as long as the FY 1987 per pupil payments do not exceed 105 percent of the FY 1986 per pupil payments. Payments to these school districts on behalf of children residing in federally subsidized low-rent housing are to be made at 15 percent of maximum authorized payments.

For those school districts where section 3(a) students comprise at least 15 percent but less than 20 percent of the total average daily attendance, section 3(a) funds are to be allocated at 75 percent of maximum authorized payments; however, the FY 1987 LCR for these school districts cannot exceed 105 percent of the FY 1986 LCR. Payments to these school districts on behalf of children residing in federally subsidized low-rent housing are to be made at 11.25 percent of maximum authorized payments.

The section 3(a) funds remaining after these first 2 groups of school districts are paid are to be distributed on the basis of eligible students among those school districts where section 3(a) students comprise less than 15 percent of the total average daily attendance. For this third group of school districts, payments are to be based on the FY 1987 LCR; no cap is placed on the FY 1987 LCR for these school districts.

Under P.L. 99-500, section 3(b) funds are to be allocated at 60 percent of maximum authorized payments for those school districts where section 3(b) students comprise 20 percent or more of the total average daily attendance. All section 3(b) payments are to be based upon the FY 1987 LCR, and no cap is placed on the possible increases in LCRs for these school districts. The remaining section 3(b) funds after the first group of section 3(b) districts are paid are to be distributed on the basis of eligible students among those school districts where section 3(b) students comprise less than 20 percent of the total average daily attendance.

In addition, P.L. 99-500 provides that $10 million be set aside for section 3(d)(2)(B) payments to section 3(a) school districts. Section 3(d)(2)(B) provides for supplementary Impact Aid payments to school districts having 50 percent of their total average daily attendance comprised of federally connected children, if these school districts are otherwise unable to provide a level of education equal to that in generally comparable districts in their State. Further, the 5-percent increase limitation on section 3(a) payments (i.e., FY 1987 per pupil payments cannot exceed 105 percent of the FY 1986 per pupil payments) does not apply to school districts that are eligible for additional funds under section 3(d)(2)(B).

Distribution of P.L. 81-815 Funds

P.L. 81-815 provides financial assistance, usually in the form of direct grants, to help compensate local school districts for the cost of providing adequate school facilities for federally connected students when enrollment and the availability of revenues from local sources have been adversely affected by Federal activities. Under P.L. 81-815, grant payments on behalf of section 3(a) students range from 90 to 100 percent of the average per pupil cost of constructing school facilities in the State in which the school district is located times the number of 3(a) students in average daily attendance; school construction grant payments on behalf of section 3(b) children range from 40 to 50 percent of such cost times the number of 3(b) students in average daily attendance.

While appropriations from 1950 to 1967 were sufficient to provide financial assistance to all eligible school districts requesting school construction funds under P.L. 81-815, appropriations since 1968 have been below the amounts needed to fund all qualified applicants. When appropriations are insufficient to fund all eligible projects, the statute establishes a funding priority order: disaster assistance under section 16 is provided first; then school construction funds are provided for sections 9, 10, 14(a), and 14(b) in proportion to the maximum authorized payments for each section. 4/ Subsequently, sections 5, 8, and 14(c) are funded. 5/

With recent appropriations for the school construction program having been substantially below the amounts needed to fund all qualified applicants, school construction assistance under P.L. 81-815 has been directed to those school districts where Federal activities are causing the greatest losses of local tax income or the largest increases in numbers of federally connected children to be educated. In contrast to the priorities established in the authorizing legislation, sections 10, 14(a), and 14(b) have been funded at levels specified by Congress through appropriations legislation and under priorities set by the Administration through regulations, with the balance of the funds used for sections 5 and 14(c).

Priority rankings intended to reflect relative urgency of need have been prescribed in regulations by the Secretary of Education in an attempt to ensure a systematic distribution of funds among applicants when appropriations are insufficient to fund all applications. 6/ Two factors are used to establish

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4/ Section 9 provides school construction assistance to school districts experiencing increased numbers of federally connected students for a temporary period of time; section 10 provides school facilities for children who reside on Federal property where school districts are legally prevented from spending State or local funds for the education of federally connected children; and sections 14(a) and 14(b) provide school construction grants to school districts that are comprised mainly of Indian lands or that provide a free public education to a substantial number of children who reside on Indian lands.

5/ Section 5 provides construction assistance to school districts experiencing an increase in the number of children residing on Federal property and/or with a parent employed on Federal property; section 8 provides supplementary funding to school districts that cannot finance the non-Federal portion of a school construction project or to school districts whose grant-supported projects have been adversely affected by a natural disaster; and section 14(c) provides construction assistance to school districts that are comprised mainly of Federal lands and that have a substantial number of pupils whose parents live and/or work on federally subsidized low-rent housing properties.

6/ School Construction Regulations for implementing P.L. 81-815. 34 CFR 221. Subpart B.

these priority rankings: the percent of total student membership in the school district comprised of federally connected students, and the percent of total student membership without "minimum school facilities," as determined by the Secretary after consultation with State and local education agencies. Highest priority applicants are funded first, and the priority rankings of approved applications awaiting funding are reordered periodically by Department of Education officials in the Division of Impact Aid as new higher priority applications are filed. Therefore, a particular project's ranking may change several times before it is funded, and some projects may never be funded if appropriations remain insufficient to fund all applications. Applicant school districts remain on a waiting list until funded, as long as they continue to meet eligibility requirements; they are not required to renew their applications.

For fiscal year 1987 school construction activities, P.L. 99-500 provides $22.5 million; $9.25 million is earmarked for awards under section 10, $9.25 million is available for awards under sections 14(a) and 14(b), and $4 million is specified for grants under sections 5 and 14(c).

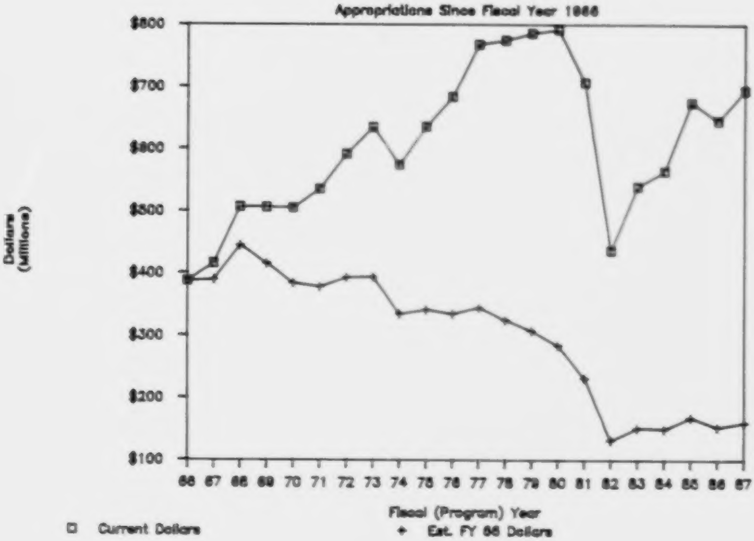
PROGRAM FUNDING HISTORY

The following tables and graphs present the appropriations since 1965 for the school maintenance and operations program under P.L. 81-874 and for the school construction program under P.L. 81-815.

The Impact Aid Program For General Operations And Maintenance Payments, P.L. 81-874 Appropriations History For Fiscal Years 1966-1987, In Current And Estimated Constant Dollars, But In Terms Of Appropriations (Budget Authority) Only

Fiscal Year	P.L. 81-874 Appropriation (in thousands of current dollars)	Percentage Change From Previous Year (current dollars)	Percentage Change From Previous Year (constant dollars)
1966	$388,000		
1967	$416,200	7.3%	0.5%
1968	$507,165	21.9%	14.2%
1969	$505,900	-0.2%	-6.6%
1970	$505,400	-0.1%	-7.6%
1971	$536,068	6.1%	-1.5%
1972	$592,580	10.5%	4.1%
1973	$635,495	7.2%	0.2%
1974	$574,416	-9.6%	-15.1%
1975	$636,016	10.7%	2.1%
1976	$684,000	7.5%	-1.9%
Transition Quarter	$70,000	na	na
1977	$768,000	12.3%	2.9%
1978	$775,000	0.9%	-5.7%
1979	$786,000	1.4%	-5.3%
1980	$792,000	0.8%	-7.7%
1981	$706,750	-10.8%	-18.3%
1982	$436,800	-38.2%	-43.3%
1983	$540,200	23.7%	15.3%
1984	$565,000	4.6%	-1.2%
1985	$675,000	19.5%	12.5%
1986	$645,975	-4.3%	-8.9%
1987	$695,000	7.6%	4.6%
Net change, 1966 to 1987		79.1%	-58.6%

Note: The price index used is the (fixed-weight) deflator for State and local government purchases of services, received from the Bureau of Economic Analysis, Department of Commerce, on Aug. 19, 1986. For fiscal year 1986, the index is based on data for the first 3 quarters of the year only. Also, for fiscal years 1987 and 1988, price index numbers are estimated on the basis of Congressional Budget Office projections of the rate of increase in the overall Gross National Product deflator (published in Aug. 1986).

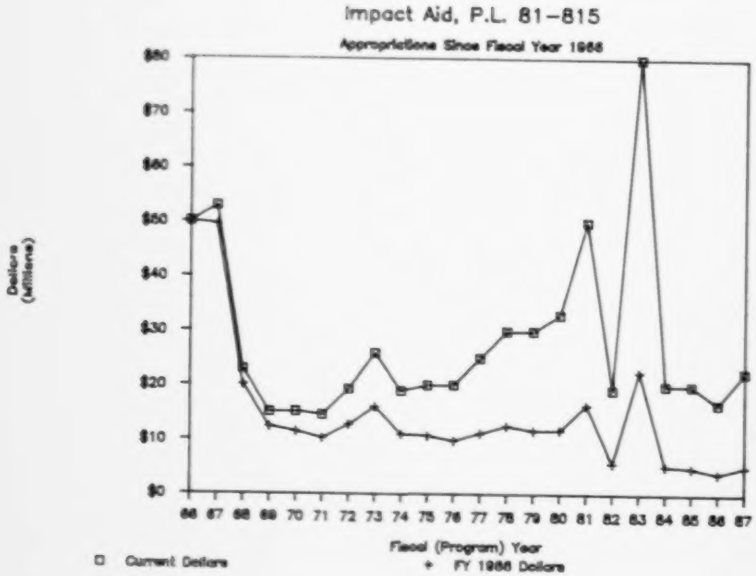

Impact Aid, P.L. 81-874

Appropriations Since Fiscal Year 1966

The Impact Aid Program For School Construction Payments, P.L. 81-815: Appropriations History For Fiscal Years 1966-1987, In Current And Estimated Constant Dollars, But In Terms Of Appropriations (Budget Authority) Only

Fiscal Year	P.L. 81-815 Appropriation (in thousands of current dollars)	Percentage Change From Previous Year (current dollars)	Percentage Change From Previous Year (constant dollars)
1966	$50,078		
1967	$52,937	5.7%	-1.0%
1968	$22,937	-56.7%	-59.4%
1969	$15,153	-33.9%	-38.2%
1970	$15,181	0.2%	-7.3%
1971	$14,589	-3.9%	-10.8%
1972	$19,300	32.3%	24.5%
1973	$25,910	34.2%	25.5%
1974	$19,000	-26.7%	-31.2%
1975	$20,000	5.3%	-3.0%
1976	$20,000	0.0%	-6.8%
1977	$25,000	25.0%	14.5%
1978	$30,000	20.0%	12.1%
1979	$30,000	0.0%	-6.6%
1980	$33,000	10.0%	0.8%
1981	$50,000	51.5%	38.7%
1982	$19,200	-61.6%	-64.8%
1983	$80,000	316.7%	288.5%
1984	$20,000	-75.0%	-76.4%
1985	$20,000	0.0%	-5.8%
1986	$16,747	-16.3%	-20.3%
1987	$22,500	34.4%	30.6%
Net change, 1966 to 1987		-55.1%	-69.6%

Note: The price index used is the (fixed-weight) deflator for State and local government purchases of services, received from the Bureau of Economic Analysis, Department of Commerce, on Aug. 19, 1986. For fiscal year 1986, the index is based on data for the first 3 quarters of the year only. Also, for fiscal years 1987 and 1988, price index numbers are estimated on the basis of Congressional Budget Office projections of the rate of increase in the overall Gross National Product deflator (published in Aug. 1986).



Impact Aid, P.L. 81-815

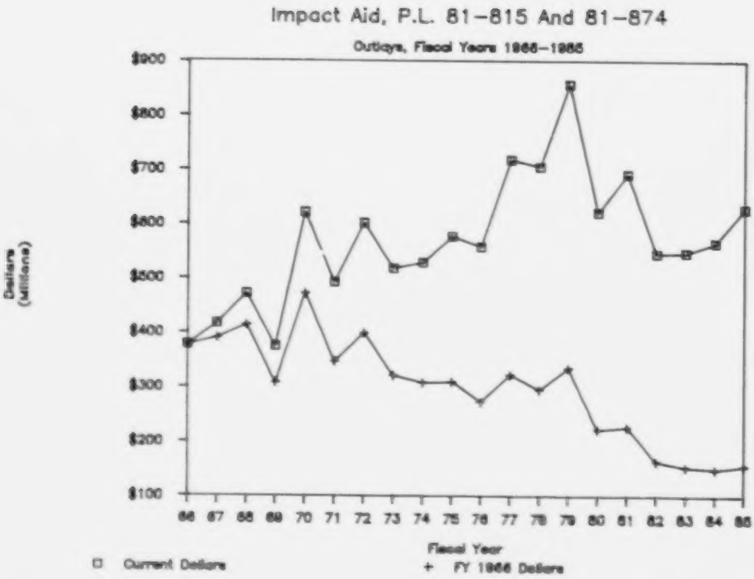
Appropriations Since Fiscal Year 1966

The Impact Aid Programs Authorized Under P.L. 81-815 And P.L. 81-874. Funding (Outlay) History For Fiscal Years 1966-1985, In Current And Estimated Constant Dollars But In Terms Of Outlays Only

Fiscal Year	Impact Aid Outlays (in thousands of current dollars)	Percentage Change From Previous Year (current dollars)	Percentage Change From Previous Year (constant dollars)
1966	$378,200		
1967	$417,400	10.4%	3.4%
1968	$472,300	13.2%	6.1%
1969	$375,200	-20.6%	-25.6%
1970	$622,000	65.8%	53.4%
1971	$492,600	-20.8%	-26.5%
1972	$602,200	22.2%	15.1%
1973	$518,900	-13.8%	-18.5%
1974	$529,900	2.1%	-4.1%
1975	$577,600	9.0%	0.9%
1976	$558,000	-3.4%	-11.9%
Transition Quarter	$88,100	na	na
1977	$719,300	28.9%	18.1%
1978	$706,000	-1.8%	-8.3%
1979	$857,700	21.5%	13.4%
1980	$621,900	-27.5%	-33.6%
1981	$692,600	11.4%	2.0%
1982	$546,300	-21.1%	-27.7%
1983	$548,200	0.3%	-6.4%
1984	$566,600	3.4%	-2.3%
1985	$629,400	11.1%	4.8%
Net change, 1966 to 1985		66.4%	-58.4%

Note: The price index used is the (fixed-weight) deflator for State and local government purchases of services, received from the Bureau of Economic Analysis, Department of Commerce, on Aug. 19, 1986. For fiscal year 1986, the index is based on data for the first 3 quarters of the year only. Also, for fiscal years 1987 and 1988, price index numbers are estimated on the basis of Congressional Budget Office projections of the rate of increase in the overall Gross National Product deflator (published in Aug. 1986).

Source for outlay data: U.S. Office of Management and Budget, Historical Tables, Budget of the United States Government, Fiscal Year 1987, Table 12.3.



Impact Aid, P.L. 81-815 And 81-874

Outlays, Fiscal Years 1966-1985

As the funding table shows, appropriations for school maintenance and operations under P.L. 81-874, in general, rose steadily in terms of current dollars from $388 million in FY 1966 to $792 million in FY 1980. Subsequently, appropriations for P.L. 81-874 declined (in current dollars) from the FY 1980 funding peak of $792 million to $436.8 million in FY 1982 largely as a result of budgetary limitations enacted in the Omnibus Budget Reconciliation Act of 1981 (P.L. 97-35). (As the graph of appropriations for Impact Aid under P.L. 81-874 shows, the peak funding year in "real" terms, i.e., constant dollars, was 1968.) Since FY 1982, appropriations for the program have gradually increased (in current dollars) to the current funding level of $695 million in FY 1987. While the FY 1987 appropriation for P.L. 81-874 represents a net increase in current dollars of 79.1 percent over the FY 1966 appropriation for the program, in constant dollars the net change from FY 1966 to FY 1987 is a 58.6 percent decrease.

Payments under section 3 of P.L. 81-874 account for about 95 percent of the total appropriation for P.L. 81-874. Nearly 50 percent of the appropriation for section 3(a) is currently distributed to Super A districts, while almost 30 percent of the appropriation is distributed to Super B districts (i.e., school districts having 20 percent or more of their total average daily attendance comprised of section 3(b) students). In contrast to section 3(a) appropriations, which tend to be distributed to a few school districts with relatively higher percentages of eligible children, section 3(b) appropriations tend to be distributed to a larger number of school districts with relatively lower percentages of eligible children. The following table presents the appropriations for section 3 under P.L. 81-874 over the last 10 years.

TABLE 2. Appropriations for Section 3 of P.L. 81-874,
FY 1976-FY 1987
(dollars in millions)

Fiscal year	Section 3(a) Appropriation	Section 3(b) Appropriation	Total Section 3 Appropriation
1976	$244	$339	$583
1977	289	334	623
1978	312	320	632
1979	343	320	663
1980	384	260	664
1981	389	231	620
1982	345	72.6	417.6
1983	361	74	435
1984	457.5	77.5	535
1985	513	130	643
1986	490.94	124.41	615.35
1987	533	130	643

By contrast, appropriations for school construction under P.L. 81-815 during the same period show no clear trend, as reflected by the funding table and graph of the program's appropriations history. The seemingly random increases and decreases in annual appropriations for the P.L. 81-815 program are largely a function of the volume of requests for school construction funds in a given fiscal year. However, over the 21-year period from FY 1966 to FY 1987, the net change in appropriations for school construction is a 55.1 percent decrease in current dollars, and a 89.6 percent decrease in constant dollars.

PARTICIPATION LEVEL AND TRENDS

Public Law 81-874

Since its enactment in 1950, the school maintenance and operations program under P.L. 81-874 has grown steadily. This substantial P.L. 81-874 program growth was caused by increases in the numbers of federally connected students in average daily attendance in federally impacted school districts. Both the liberalization of program eligibility criteria and the continued high Federal expenditures for national security and domestic development contributed to these increased numbers of federally connected students.

In its first year of operation, 1,172 school districts received Impact Aid assistance under P.L. 81-874 on behalf of 512,000 federally connected students in average daily attendance, at a total cost of $29.6 million. These school districts had an average per pupil expenditure of $176.76, and the average local contribution rate during the first year of program operation was $106.82.

By FY 1978, 4,368 school districts were receiving Impact Aid assistance under P.L. 81-874, nearly 4 times the number of school districts eligible for Impact Aid during the first year of program operation, and undoubtedly encompassing geographic areas more than four times as great as in the first year of operation, due to school district consolidations. The total number of federally connected students in average daily attendance in these school districts was 2.2 million in FY 1978, slightly over 4 times the number of such students in average daily attendance during the first year of program operation. The total appropriations for the maintenance and operations program had risen to $753 million by FY 1978, approximately 25 times the total appropriations for the program during its first year of operation (without adjustment for changes in price levels). In FY 1978, the average per pupil expenditure of federally impacted school districts was $1,898, and the average local contribution rate for these school districts was $822.

In FY 1981 (the last year in which the minimum payment provision of $5,000 was not applied and the most recent year for which comprehensive data are available), section 3(a) payments were distributed to 1,725 school districts based upon enrollments of children residing on Indian lands (33.6 percent of all children counted), children whose parents are in the uniformed services (62.7 percent), other children whose parents live and work on Federal property (3.2 percent), and children residing in public, low-rent housing projects (0.5 percent).

Section 3(b) payments in FY 1981 were distributed to 3,687 school districts based upon enrollments of children residing in public, low-rent housing projects (31.5 percent of all children counted), other children of parents who live or work on Federal property (36.4 percent), and children whose parents are in the uniformed services (32.1 percent).

More recently, in FY 1986, P.L. 81-874 provided school maintenance and operations assistance to approximately 3,100 school districts on behalf of about 2 million federally connected students. Thus since 1978, the number of applicant school districts under the P.L. 81-874 program has dropped approximately 29 percent from 4,368 to 3,100, and the number of federally connected students reported under the program has dropped 10 percent from 2.2 to 2.0 million. Obviously, most of the school districts that have dropped out of this program have relatively small numbers of federally connected children, and were likely receiving relatively small Impact Aid payments.

Public Law 81-815

Before the 1950 enactment of the P.L. 81-815 school construction program, a large backlog of needed school construction had developed in federally affected areas because only the most urgently needed school facilities were constructed in these areas during and immediately after World War II. (Congress had added provisions to the Lanham Act, P.L. 77-137, authorizing the Federal Works Administrator to make loans and/or grants for public works and equipment, with special emphasis on schools and certain other facilities. Consequently, the 1,128 applications filed and the more than 900 applications approved during the first 2 years of P.L. 81-815 operation (1950-52) were the largest numbers during any 2-year period.

The number of school construction applications filed under P.L. 81-815 averaged between 700 and 800, and the number approved averaged nearly 500 for each 2-year period from 1952 through 1958. (It should be noted that the post-World War II "baby boom" probably contributed to this high volume of school construction requests during the 1950s.) During the same time, total school construction program appropriations averaged $81.8 million a year. There was a decrease in total program applications after 1958, and for a number of years program expenditures remained relatively stable, ranging between $50 and $60 million a year. With the liberalization of school construction eligibility criteria in 1966, the requests for school construction funds rose to approximately $70 to $80 million a year. However, since FY 1967, appropriations have been insufficient to fund all qualified school construction applicants under P.L. 81-815. As a result, there is presently a backlog of eligible, unfunded applications for school construction assistance, primarily under sections 5, 10, and 14, totaling in excess of $500 million. From 1951 through 1985, the school construction program has provided financial assistance to local school districts and Federal agencies for the support of almost 7,000 projects.

In FY 1986, there was one new school construction project funded under section 5, and no projects funded under section 14(c). Eleven new projects were supported under section 10, 2 new projects were funded under sections 14(a) and 14(b), and 4 new school construction projects received assistance under section 16. In addition, in FY 1986 approximately 89 school construction projects continued to receive financial assistance under P.L. 81-815 based upon grant applications approved in previous years.

SYNTHESIS OF EVALUATION FINDINGS

There have been no truly recent evaluations (within the past five years) of the Impact Aid programs; the evaluations that were conducted most recently are also relatively narrow in scope, i.e., focusing on specific aspects of the P.L. 81-874 program only. This section presents the major findings of the two most recent evaluations of the Impact Aid program relating to the maintenance and operation of school facilities, P.L. 81-874. There have been no recent evaluations of the Impact Aid program relating to the construction of school facilities authorized under P.L. 81-815.

The following discussion is based upon the two most recent evaluation studies of the impact aid program: (1) Impact Aid Two Years Later--An Assessment of the Program as Modified by the 1974 Education Amendments prepared by Lawrence L. Brown, III, Alan L. Ginsburg, and Martha Jacobs of the Office of the Assistant Secretary for Planning and Evaluation, U. S. Department of Health, Education, and Welfare, March 30, 1978; and (2) A Report on the Administration and Operation of Title I of Public Law 874, Eighty-First Congress prepared by the Commission on the Review of the Federal Impact Aid Program, September 1, 1981. Both evaluations examine the maintenance and operation program authorized by P.L. 81-874; this program accounts for over 97 percent of total impact aid appropriations in recent years. As previously noted, no recent studies have been conducted to evaluate the school construction program authorized under P.L. 81-815.

The 1978 study was conducted to develop an Administration proposal for the impact aid program as part of the reauthorization of the Elementary and Secondary Education Act that was underway in 1977 and 1978. Specifically, the 1978 study examined the "entitlement" and payment provisions authorized under P.L. 81-874 for school maintenance and operation.

The 1981 evaluation was mandated by the Education Amendments of 1978 (P.L. 95-561). The law provided for the establishment of a commission, composed of 10 members appointed by the President, to review and evaluate the administration and operation of the P.L. 81-874 impact aid program. The commission was composed of persons who were not full-time employees of the Federal Government but who were knowledgeable about the problems of school districts in federally impacted areas, including State and local officials, experts in the field of education, and the general public.

The following discussion of findings from these 2 evaluations of the P.L. 81-874 impact aid program is presented under 4 broad topics that encompass the major issues that guided each of the two respective studies. These topics include: (1) the adequacy of compensation to school districts for federally imposed burdens under the impact aid program, (2) the equity of the formula established by P.L. 81-874 for distributing impact aid funds to school districts, (3) recommended changes in the distribution formula for providing financial assistance to federally impacted school districts, and (4) the nature of the interaction of impact aid assistance and State aid, particularly under State equalization programs. 7/

7/ State equalization plans or programs are intended to provide equal educational spending for all school children in the State regardless of the incidence of local school district wealth. Such plans or programs "equalize" State school aid to districts by providing aid per pupil in an inverse relationship to the local school district's wealth per pupil. That is, the maximum amount per pupil is paid to low-wealth districts, and the minimum amount, or no payment, is made to high-wealth districts.

The Adequacy of Compensation to School Districts for Federally Imposed Burdens Under the Impact Aid Program

To assess the adequacy of impact aid compensation, the 1978 study examined whether children for whom impact aid payments are made actually constitute a federally imposed burden on school districts. Further, the 1978 study evaluated the methods used to calculate the local contribution rates (LCRs) and the various "entitlement" weights assigned to different categories of federally connected children. The major objective of these research efforts was to determine whether impact aid payments to school districts were commensurate with the Federal burdens imposed on them.

The researchers conducting the 1978 study concluded that there was strong justification for providing impact aid payments to school districts on behalf of 3(a) children (children whose parents live and work on Federal property) as as well as for most categories of 3(b) children (children whose parents live or work on Federal property) since these children resided on tax-exempt property and/or their parents worked on tax-exempt property, i.e., non-taxable properties for local school district purposes. However, they questioned the justification for providing impact aid assistance to school districts on behalf of 3(b) children whose parents work on Federal property outside the county in which their children's school district is located. The researchers pointed out that these children reside on taxable property, and the tax-exempt Federal property on which their parents work is located outside the school district. Similarly, the 1978 study findings did not support the provision of impact aid assistance on behalf of public housing children, since tax-exempt public housing properties are locally rather than federally owned. The researchers noted that the Federal Government provides aid to communities with public housing properties through housing subsidies, debt service guarantees, and in-lieu-of-tax payments. 8/ However, they cautioned that the elimination or reduction of impact aid payments for public housing children would adversely affect city school districts, many of which are fiscally distressed. Nevertheless, the researchers concluded that the inclusion of public housing children as eligible impact aid students was not consistent with the program's goal of providing compensation for federally imposed burdens.

The 1978 evaluation found two "major weaknesses" in the procedures for calculating local contribution rates. The researchers charged that the comparable district method of calculating LCRs failed to provide an accurate approximation of what the local education costs would have been had there not been a Federal burden on these school districts. 9/ They contended that the comparable district method allowed school districts to select wealthy districts' LCRs as a basis for calculating inflated impact aid "entitlements" by using the comparable district's characteristics that are most adversely affected by the Federal presence. (It should be noted that in an attempt to address this "major weakness," the U.S. Department of Education issued final regulations governing the establishment of LCRs for generally comparable districts on August 16, 1985.) The other "major weakness" in establishing

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8/ In addition to subsidizing the initial costs of building public housing units, the Federal Government guarantees debt service on bonds issued by local housing authorities, and makes to local communities annual contributions that serve as payments in lieu of taxes on public housing properties.

9/ Local school districts have the option of choosing the method of determining their LCR. Districts may choose to use an amount equal to one-half the national average per pupil expenditure, an amount equal to one-half the average per pupil expenditure of their respective State, a common amount for all districts in the State based on groups of comparable districts within the State, or a different amount for each group of districts based on the per pupil expenditure for individual groups of comparable districts within the State. After consulting with the applicant school districts in its State, the State education agency establishes the criteria for calculating LCRs under the comparable district method and identifies the various groups of comparable districts in the State.

LCRs, according to the researchers, is that the minimum rate of one-half the national average per pupil expenditure, one of the options that school districts may select as their LCR, often does not reflect the actual local district education costs.

In its 1981 evaluation report to the President and to Congress, the Commission on the Review of the Federal Impact Aid Program found:

> --that the Federal Government has an obligation to assist in the support of education for the children of its employees without regard for their places of residence [and] that the Federal Government has an obligation for the education of children living on Federal property, [i.e., The Commission affirmed the findings of the 1978 study regarding the justification for providing Impact Aid payments to school districts on behalf of 3(a) and 3(b) children];
>
> --that the Federal Government has a special obligation, under its treaties with Indian tribes, for the education of Indian children;
>
> --that the Federal Government has a special obligation to heavily burdened local education agencies; and
>
> --that the Impact Aid Program is appropriate for meeting, and should be designed to fulfill, these obligations (p. 432).

The Commission went further than the researchers who conducted the 1978 study in its criticism of the LCR concept. It concluded "that the entire concept of local contribution rate should be avoided and a method of determining the amount of compensation based upon principles consistent with those underlying the program should be devised." It recommended that a method for determining impact aid "entitlements" consistent with the principles underlying the impact aid program should be based upon three questions:

> (1) "What is the cost of providing an 'adequate level of education'?"
>
> (2) "What is the 'local share' of that cost?" and
>
> (3) "What is the 'appropriate [Federal] percentage' of the local share of that cost?" (p. 440)

These questions reflect the Commission's conclusion that impact aid "entitlements" should compensate school districts for the actual costs of educating federally connected children, rather than for the "revenue burden" placed on local education agencies by the presence of tax-exempt Federal properties.

Though the Commission did not perfect a method to replace the procedures for calculating LCRs, purportedly because of time and budget constraints, it identified two considerations upon which such a method should be based: (1) the net per-pupil burden placed upon school districts [i.e., the loss of tax revenues from tax-exempt Federal properties within school districts plus the cost of providing an adequate education for federally connected children minus the economic benefits derived by school districts from the presence of Federal activities]; and (2) the per-pupil obligation under individual State laws if the Federal Government were treated as a private owner and user of real property in such States [i.e., comparable private sector property and income tax rates under individual State laws]. The Commission stressed that impact aid appropriations should be sufficient to fully fund all "entitlements" under the program; this would eliminate the need to ratably reduce impact aid allocations to districts because of insufficient appropriations for the program. The equity of the formula for distributing impact aid funds to school districts established by P.L. 81-874 is discussed in the next section.

The Equity of the Formula Established by P.L. 81-874 for Distributing Impact Aid Funds to School Districts

The researchers conducting the 1978 evaluation concluded that, in terms of district wealth and need, the data clearly show that "lightly impacted" districts (defined as having fewer than 10 percent federally connected children) are much less dependent on impact aid assistance than are more "heavily impacted" districts (defined as having 50 percent or more federally connected children). Further, they found that these "lightly impacted" school districts do not appear to be "heavily burdened" by Federal activities. By contrast, "heavily impacted" districts, according to the researchers, "show real evidence of [financial] burden from loss of [revenues from] property due to Federal activity" (p. 52). Consequently, these districts are more dependent on impact aid funds because they have less district property wealth in relation to the number of pupils they must educate, on average, than do "lightly impacted" districts. The researchers recommended that in setting Federal priorities for the distribution of impact aid funds, payments should be reduced to "lightly impacted" districts, and those funds redistributed to "heavily impacted" districts.

In its 1981 evaluation report, however, the Commission stated, "it is only reluctantly that the Commission would consider recommendations which would have the effect of giving entitlements of some local educational agencies higher priority than those of others" (p. 447). The mandate of the Commission did require it to make such recommendations, but it did so without the support of formal evaluation findings. However, the Commission's recommendations were based upon the evidence gathered during the hearings and site visits it conducted. The Commission found no principle that could be applied "rationally" to differentiate the "entitlement" of one school district from that of another beyond the priority given to "heavily impacted" districts over "lightly impacted" districts. Therefore, the Commission concluded that when impact aid appropriations are insufficient to fully fund all "entitlements," all school districts should receive reductions on a pro rata basis but that "heavily impacted" districts should be paid their full "entitlements." The Commission defined "heavily impacted" school districts as (1) those having such a "substantial" amount of Federal property that their ability to provide an adequate level of education for children in attendance in their schools is impaired; or

(2) those having such a high percentage of federally connected children in attendance at their schools that failure to pay them their full "entitlements" would result in either the closure of their schools or "substantial" reductions in the level of education offered to their students. The following section discusses recommended changes to address the equity concerns raised in the 1978 study regarding the distribution of impact aid funds.

Recommended Changes in the Distribution Formula for Providing Financial Assistance to Federally Impacted School Districts

The researchers in their 1978 study recommended two reform options "to improve targeting of Impact Aid funds on heavily burdened districts." The first option would have revised the then-current law's "absorption" provision. This provision required "lightly impacted" school districts to absorb or pay for an amount "derived by multiplying a district's average daily attendance by one-half the percentage of 'B' category students." The researchers recommended extending the absorption provision to all "B" category students (as opposed to one-half) in all federally impacted (as opposed to "lightly impacted" only) school districts and eliminating the restriction on the amount of costs that districts could be required to absorb. The second option would have required all school districts to absorb the full costs of educating a percentage of their federally connected children equal to a specified percentage of their average daily attendance of students who were non-federally connected. Using non-Federal rather than federally connected students to calculate the number of federally connected students a school district will have to absorb reduces the number of children who must be absorbed in heavily impacted districts and increases the number in lightly impacted ones. Importantly, this option would have removed the tier system then used for prorating payments to school districts when impact aid appropriations were insufficient to fully fund all "entitlements." That is, by reducing total program costs and by transforming all federally connected students into essentially equivalent units of burden, this absorption would have permitted the Federal Government to pay the full costs of educating all non-absorbed Federal students, eliminating the need for a tier system to prorate payments. However, the researchers cautioned that while both reform options would achieve greater fairness in the distribution of impact aid funds and simplify program administration, they would reduce the number of districts eligible to receive assistance under the program.

The Commission in its 1981 report also recommended two modifications based on its findings that were intended to address "inequities" regarding the distribution of impact aid funds. The first would have required the U.S. Department of Education to develop and implement a standard method for determining the net fiscal burden placed upon school districts by Federal activities. The second would have required that the impact aid program under P.L. 81-874 be amended so that "entitlements" to school districts could be adjusted in cases where the net fiscal burden placed upon a school district was "substantially" higher or lower than the amount to which it was otherwise entitled under the law. 10/

The Nature of the Interaction of Impact Aid Assistance and State Aid

Both the 1978 and 1981 evaluation reports addressed the interaction and coordination of impact aid assistance with State aid programs, particularly under State equalization plans. The researchers conducting the 1978 study

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10/ The concept of net fiscal burden is discussed on pages 39 and 40 of this paper.

found that the formula for distributing impact aid assistance can adversely affect State equalization programs. Under current law, most States are prohibited from subtracting impact aid payments, as they would in the case of local revenues, when calculating a school district's allocation under its State aid program. The Education Amendments of 1974 (P.L. 93-380) revised the impact aid program under P.L. 81-874 by establishing "Federal threshold standards" for State equalization programs that must be met by States before they can treat impact aid payments as local revenues when determining State aid allocations. 11/ These "threshold standards" are so restrictive, according to the researchers who conducted the 1978 study, that as of that time only seven States had sought and received approval to reduce a specified percentage of their State aid payments to school districts that receive impact aid assistance. Thus, according to the authors of this report, in the majority of States, the impact aid payments often increase the disparities in spending between these impacted districts and non-federally impacted districts. Consequently, the researchers argued that the impact aid program then and now under current law may impede State efforts to equalize school districts' per pupil expenditures under State school finance programs. They recommended 3 options to address this problem: (1) offset impact aid payments to "relatively wealthy" districts in proportion to the degree to which a State meets the Federal equalization standards; (2) repeal the Federal equalization standards and allow offsetting of impact aid payments equal to the amount of a district's local revenues that is equalized under the State's program; and (3) keep the current program provision that allows "highly equalized" States to reduce a

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11/ Federal threshold standards are criteria for measuring the degree of fiscal equalization in educational spending throughout a State, or the degree to which all students in the State are treated equally for purposes of educational spending.

specified percentage of their State aid payments to districts that receive impact aid, but also permit other less equalized States to reduce a specified percentage of their State aid payments to districts with above average wealth, regardless of whether they are federally burdened.

In contrast to the findings of the researchers who conducted the 1978 study, the 1981 Commission found that the Federal Government should continue to prohibit States without approved plans to equalize districts' expenditures from taking impact aid payments into account as local resources for purposes of calculating State aid allocations to districts. Further, it contended that the current Federal regulations defining "equalized expenditures" for purposes of the impact aid program allow too much disparity among school districts resulting in States taking impact aid into consideration even though they are not truly equalized, defeating the objectives of the "threshold standards" for approving State equalization plans. In addition, the Commission concluded that the current regulations allowing States to take impact aid into consideration with power equalization for purposes of determining State aid allocations to school districts are probably inconsistent with the statute since power equalization deals with district tax rates rather than with district expenditures, as the law requires. 12/ Based upon these findings, the Commission recommended that the impact aid program be amended to prohibit: (1) States from requiring school districts to use impact aid payments for any activity

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12/ Power equalization is a type of school finance equalization plan that provides sufficient State funds to ensure that each school district has equal revenues per pupil for equal tax rates, by establishing guaranteed levels of expenditures that correspond with local tax rates. That is, if a district's tax revenues from the local tax rate do not equal the guaranteed revenue level, the State makes up the difference. Conversely, if the district's tax revenues from the local tax rate exceed the guaranteed revenue level, the local school district must give the excess revenues to the State for redistribution to poorer districts. As a result, district revenues per pupil would be a function of the locally selected tax rate alone, not of the tax rate and local taxable wealth or income.

that the States would otherwise fund; and (2) State and local governments from redistributing impact aid funds from local school districts.

ADDITIONAL PROGRAM BACKGROUND INFORMATION AND ISSUES

There appears to be a consensus that Federal payments to local school districts are justified for school children whose parents reside and work on Federal property and children who live on Indian lands (section 3(a) students). There is less broad support for students whose parents either live or work on Federal property (section 3(b) students). There seems to be greater acceptance of the need for section 3(b) funding when the child's parent is a uniformed member of the armed forces. The level of support is less when the child's parent is a civilian employee of the Federal Government. Considerable difference of opinion exists concerning the need for school districts to receive Impact Aid payments for students who reside in federally subsidized low-rent housing, or whether Impact Aid is the appropriate vehicle to provide funds for these children.

Termination of Section 3(b) Payments

Concerns have been raised by certain Members of Congress as to whether the termination of 3(b) payments would place an undue hardship on any currently eligible school districts. Some argue that continued 3(b) payments, in a time of general fiscal constraint, provide an unnecessary subsidy to local education agencies for children who are only a "marginal" burden, as opposed to 3(a) children who generate no local property tax revenues for school purposes. These proponents of 3(b) termination point out that the parents of 3(b) children live or work on private property that generates local property taxes for the school district. Further, they stress that in the case of public, low-rent housing, the Federal Government has provided the community with low-cost housing at its request on land that probably would generate few tax dollars if privately owned, and therefore, should not provide additional subsidies for the children residing in such housing.

In contrast, proponents of the continuation of 3(b) payments argue that the Federal Government, because its property is exempt from State and local taxation, has a responsibility to pay its share of the costs of educating these federally connected children. Moreover, they stress that some school districts, especially those in close proximity to Federal military installations, enroll large numbers of 3(b) students, many of which live on property which generates minimal tax revenues. In these cases, the local education agencies would be required to subsidize the educational costs of 3(b) children from local revenues or reduce services if section 3(b) payments were not continued.

SOURCES OF ADDITIONAL INFORMATION

U.S. Library of Congress. Congressional Research Service. Education and Public Welfare Division. Impact aid for education: Public Laws 81-874 and 81-815, by R. Holland. Revised and updated Oct. 28, 1986. [Washington] 1985. (Issue brief 85018)
Archived.

----- Summary and analysis of amendments to Federal impact aid laws under title III of the Education Amendments of 1984--P.L. 98-511, by R. Holland. Oct. 3, 1984. [Washington] 1984.

----- School assistance in federally affected areas--recent evaluations of the impact aid programs under P.L. 81-874 and P.L. 81-815, by R. Holland. Dec. 10, 1985. [Washington] 1985.

APPENDIX

Under P.L. 81-874 the following sections authorize financial assistance for maintenance and operations to school districts in areas adversely affected by Federal activities:

Section 2 authorizes financial assistance to school districts having a partial loss of tax base (10% or more of assessed value) due to the acquisition (since 1938) of local real estate by the Federal Government.

Section 3(a) authorizes payments for children who reside on Federal property, *and* whose parents work on Federal property or are in the uniformed services.

Section 3(b) authorizes payments for children who reside on Federal property, *or* whose parents work on Federal property or are in the uniformed services.

Section 3(d)(2)(B) authorizes increased rates of payment for federally connected children to enable a school district (that is otherwise unable) to provide a level of education equivalent to that provided by comparable school districts within its State. Currently, federally connected children counted under sections 3(a) *and* 3(b) must equal at least 50 percent of the total average daily attendance in order for a district to meet minimum eligibility for 3(d)(2)(B) payments.

Section 3(e) authorizes phase-out entitlements under specified conditions to school districts losing a substantial number of federally connected children due to a decrease or termination of Federal activities in the State in which the school district is located. The Omnibus Budget Reconciliation Act of 1981, as amended by the Education Amendments of 1984 (P.L. 98-511), eliminates funding for section 3(e) payments for fiscal years 1985 through 1988.

Section 4 authorizes financial assistance to school districts for sudden and substantial increases in federally connected attendance resulting from activities carried on by the Federal Government either directly or through a Federal contract. The Omnibus Budget Reconciliation Act of 1981, as amended by the Education Amendments of 1984, eliminates funding for section 4 for FY85 through FY88.

Section 6 provides payments to Federal agencies or school districts to educate children who reside on Federal property when the State or local education agency is prevented, because of legal or "other reasons," from spending State or local funds for the free public education of federally connected children. The Omnibus Budget Reconciliation Act of 1981 transferred to the Department of Defense the funding authority for section 6.

Section 7 authorizes financial assistance to school districts adversely affected by major disasters, such as tornadoes and floods, regardless of whether they enroll federally connected children. A school district must be located in a presidentially declared disaster area in order to be eligible to apply for major disaster assistance funds. The pinpoint (non-presidentially declared) disaster assistance provision has not been funded in recent years. Section 7 funds provided in the form of grants enable local education agencies to make minor repairs, provide temporary facilities, pay increased operating expenses, and replace instructional materials and equipment.

In addition to these authorizing sections, section 1 contains the declaration of policy for the Impact Aid program under P.L. 81-874, and section 5 specifies application and payment requirements, including those governing the disbribution of available funds when appropriations are insufficient to fully fund all entitlements under the Act. Section 5 also contains provisions concerning the treatment of Impact Aid payments under State school finance plans.

Public Law 81-815

Under P.L. 81-815 the following sections authorize financial assistance for school construction and repair to local education agencies in areas adversely affected by Federal activities:

Section 5 authorizes school construction assistance to school districts experiencing an increase since the base year in the number of children of parents who live and work on Federal property or are in the uniformed services, and children of parents who live or work on Federal property or are in the uniformed services; the base year is the school year immediately preceding the first year of a 4-year increase period, directly resulting from U.S. activities.

Section 8 authorizes supplementary funding to a school district that cannot finance the required non-Federal portion of an on-going school construction project or to a school district whose grant-supported school construction project has been adversely affected by a natural disaster.

Section 9 authorizes construction assistance to school districts experiencing increased numbers of federally connected children for a temporary period of time, either directly or through a Federal contractor; such a temporary increase in the number of federally connected children could result from a Federal construction project or a defense contract being located near a school district.

Section 10 directs the Secretary of Education to make arrangements for providing school facilities for children who reside on Federal property where legal or "other reasons" prevent the local education agency from spending State or local funds on the education of federally connected children. For example, the land upon which West Point Military Academy is located was ceded to the Federal Government by New York State; consequently, the surrounding school districts are legally prevented from spending State or local revenues for the education of federally connected children at West Point.

Sections 14(a) and 14(b) authorize construction grants to local education agencies that are comprised mainly of Indian lands or that provide a free public education to children who reside on Indian lands. Section 14(c) authorizes construction assistance to school districts that are comprised mainly of Federal lands and that have a substantial number of pupils residing in federal-ally subsidized public housing projects.

Section 16 authorizes financial assistance to local education agencies in areas suffering major natural disasters, such as tornadoes, floods, etc.

In addition to these authorizing sections, section 1 specifies the purpose of the Impact Aid program under P.L. 81-815 and establishes the authorization level at such sums as the Congress may determine to be necessary. Section 2 defines the portion of appropriations available for payments to local education agencies, while section 3 directs the Secretary of Education to establish funding priorities to be followed in approving applications when appropriations are insufficient to fund all qualified applicants. Section 4 imposes limitations on the Federal share of the cost of a school construction project funded under the Act, while sections 6 and 7 specify application and payment requirements, respectively. Section 11 sets forth the conditions under which the Secretary may withhold payments to a local education agency. Section 12 specifies the Secretary's administrative responsibilities for carrying out the provisions of the Act, and section 13 requires other Federal agencies that administer

Federal property on which children reside to cooperate with the Secretary in school construction efforts funded under the Act. Section 15 defines key terms under the Act, while section 17 contains a special military base closing provision.

SUMMARY OF PROGRAM PURPOSE AND STRUCTURE

The Adult Education Act, P.L. 89-750, as amended (AEA), was enacted in 1966, and is administered by the U.S. Department of Education. The purpose of the AEA is to provide financial assistance to States and other eligible recipients to establish and expand programs to benefit educationally disadvantaged adults. These programs are intended to provide adults with the basic skills necessary to function in society, enabling them to complete secondary school and profit from employment-related training. The AEA represents the largest source of Federal education funds with the primary purpose of alleviating the problems of adult literacy.

The AEA is currently authorized through fiscal year (FY) 1988, at a level of "such sums as may be necessary." The FY 1987 appropriation is $105,981,000 (P.L. 99-500); this amount is to be allocated by formula to the States.

Under the AEA, grants are made to States with federally approved State plans. Programs are carried out by local educational agencies, and by other public or private nonprofit or for-profit agencies. State plans must be submitted to the Secretary of Education, and contain specific administration, operation, and data reporting information about the adult education program at the State and local level. States may use AEA funds to support an advisory council in planning, implementing, or evaluating programs and activities.

Activities under the AEA are limited to "adult education"--education programs below the college level for adults. Special emphasis is placed on "adult basic education"--programs for adults whose inability to speak, read, or write the English language constitutes a substantial impairment of their ability to get or retain employment commensurate with their real ability.

The AEA authorizes the Secretary to support various discretionary applied research projects and related activities. Discretionary funds available to the Secretary are specifically authorized for improving adult educational opportunities for elderly individuals and adult immigrants, evaluating educational technology and computer software suitable for providing instructions to adults, and supporting exemplary cooperative adult education programs which combine the resources of businesses, schools and community organizations. Funds have not been appropriated in recent years for these discretionary activities.

The National Institute of Education (NIE) is specifically authorized by the AEA to support research on the special needs of individuals requiring adult education. Although the NIE was discontinued in a reorganization in October 1985, its authorized activities have been continued under the Office of Educational Research and Improvement of the Department of Education.

(The AEA also authorizes funding through FY 1989 for the improvement of educational opportunities for adult Indians. 1/ These activities are typically considered as a part of Indian education legislation, and are discussed in this report in a separate chapter.)

1/ P.L. 92-318, the Education Amendments of 1972, amended the AEA to authorize appropriations for the "improvement of educational opportunities for adult Indians."

BRIEF LEGISLATIVE HISTORY

Although the first significant Federal adult education and literacy programs began in the military services with World War II trainees, programs for the civilian population started with the Manpower Development and Training Act of 1964, which provided job training for the unemployed. 2/ This program was soon amended to provide basic educational skills because many of the participants were found to be functionally illiterate, that is, unable to understand written instructions necessary to accomplish specific functions or tasks. The Economic Opportunity Act of 1964, P.L. 88-452, was enacted next, providing a variety of literacy programs, including the Adult Basic Education (ABE) program (summarized below). The significance of the ABE is that it was the first program to provide formula grants to the States for literacy programs; those who needed basic literacy skills were eligible to participate. The ABE program was repealed with the enactment of the AEA under P.L. 89-750; the original AEA was similar in most respects to the ABE, including the provision of grants to the States. 3/

In general, the purpose and structure of Federal adult education legislation have remained approximately the same since the original enactment; however, a number of amendments have been made to the legislation. Common

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2/ This section is based in part on Congressional Research Service Issue Brief 85167, "Adult Literacy Issues, Programs, and Options" by Paul M. Irwin, and on the legislative history published by the National Advisory Council on Adult Education, "Opening Doors for Success: the FY 1983 Annual Report of the President of the United States."

3/ Neither the ABE nor the AEA directly defines "literacy." The ABE authorized Federal grants for the instruction of persons "whose inability to read and write the English language constitutes a substantial impairment of their ability to get or retain employment commensurate with their real ability." The AEA (of 1966) authorized Federal grants for the same purpose, except that the "inability to speak" the English language was added to the inability to read or write.

themes in these amendments include changes to the statement of purpose, definition of adults (for the determination of eligibility to participate), the allocation formula, State plan requirements, special populations, demonstration projects, and a national advisory council.

P.L. 89-452, the Economic Opportunity Act of 1964, part A of title II, authorized adult basic education programs for FY 1965 through FY 1967. The declaration of purpose was stated as:

> to initiate programs of instruction for individuals who have attained age eighteen and whose inability to read and write the English language constitutes a substantial impairment of their ability to get or retain employment commensurate with their real ability, so as to help eliminate such inability and raise the level of education of such individuals with a view to making them less likely to become dependent on others, improving their ability to benefit from occupational training and otherwise increasing their opportunities for more productive and profitable employment, and making them better able to meet their adult responsibilities.

As indicated, programs were for individuals who were 18 years old or older. State grants were allocated in proportion to the number of adults who had completed no more than 5 grades in school, with 2 percent of the funds being reserved for the Outlying Areas, including Puerto Rico. 4/ Federal funds could be used to pay for 90 percent (the "Federal share") of the costs of adult education programs in the States during FY 1965 and FY 1966, and 50 percent thereafter. A State plan was required to be submitted through the State educational agency; the contents included plans and assurances for the administration of the program. States could use Federal funds to pay for the costs of pilot projects and programs of instruction carried out by local educational agencies (LEAs), as well as the costs of development, improvement, and technical assistance related to adult basic education programs. Each State was required to spend at least as much for adult basic educational programs and

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4/ The other Outlying Areas were specified as Guam, American Samoa, and the Virgin Islands.

services from State sources as it did in the preceding fiscal year (a "maintenance of effort" requirement).

P.L. 89-750, the Elementary and Secondary Education Amendments of 1966, title III, authorized the "Adult Education Act of 1966" for FY 1967 and FY 1968. As noted above, the AEA (of 1966) was similar in most respects to the ABE. The purpose was:

> to encourage and expand basic educational programs for adults to enable them to overcome English language limitations, to improve their basic education in preparation for occupational training and more profitable employment, and to become more productive and responsible citizens.

Adult basic education continued as the major objective, despite the omission of "basic" from the name of the program. Significant provisions in the AEA that were not contained in the ABE included: (1) States were required to spend between 10 and 20 percent of their grants for innovative methods and teacher training programs (the ABE authorized pilot projects, without specifying a funding amount); and (2) the President was required to establish a National Advisory Committee on Adult Basic Education to review administration and effectiveness of the AEA program and make an annual report and recommendations to the President, who was to transmit each report, with comments, to the Congress. Other changes included: (1) a switch in program administration to the Commissioner of Education (of the former Office of Education) from the Director of the former Office of Economic Opportunity; (2) the inclusion of the Trust Territory of the Pacific Islands as an Outlying Area; (3) fixing the Federal share at 90 percent (the percentage was to be reduced to 50 percent after FY 1966 under the ABE); and (4) and revision of the maintenance of effort requirement to include adult education expenditures (only adult basic education expenditures under the ABE) from non-Federal sources (from State sources under the ABE).

P.L. 90-247, the Elementary and Secondary Education Amendments of 1967, title V, amended the AEA and authorized it for FY 1969 and FY 1970. The significant change was to the State allocation formula; each State (except for the Outlying Areas) was to receive a minimum grant of $100,000, with remaining funds distributed according to the original allocation formula. Other changes included: (1) private nonprofit agencies were added to LEAs as eligible recipients of AEA funds at the State level; and (2) the Federal share was increased to 100 percent for the Trust Territory of the Pacific Islands (the share remained at 90 percent for the States and remaining Outlying Areas).

P.L. 90-576, the Vocational Education Amendments of 1968, section 302, changed the definition of adults by reducing the minimum age from 18 to 16 years old; this change affected both the allocation formula and the eligibility to participate in AEA programs.

P.L. 91-230, the Elementary and Secondary Education Amendments of 1970, title III, rewrote title III of P.L. 88-750 and renamed it as the "Adult Education Act," 5/ with appropriations authorized for FY 1970 through FY 1973. Significant changes included: (1) an increase in the minimum State grant to $150,000 6/ (from $100,000); (2) a change in the definition of adults used in the State allocation formula to include all those who had not completed high school and who were beyond the age of compulsory school attendance in their State; (3) an amendment to the statement of purpose specifically to include (for the first time) programs for the completion of secondary school; 7/ and (4) a change in the State plans to require Federal funds to be used to satisfy

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5/ Instead of the "Adult Education Act of 1966."

6/ P.L. 91-600, Library Services and Construction Amendments of 1970, amended this provision to delay its implementation until FY 1972.

7/ This is the first time that the completion of secondary school education was specifically mentioned as an AEA purpose or authorized activity.

all needs for adult basic education (that is, for adults whose inability to speak, read, or write the English language constitutes a substantial impairment of their ability to get or retain employment) before their use for other authorized activities. Other changes included: (1) authorization of 5 percent of additional appropriations (beyond the amount for State grants) for the administration and development of State plans; (2) eligibility of private nonprofit agencies (in addition to LEAs) as recipients of AEA State grant funds; and (3) replacement of the National Committee by the National Advisory Council on Adult Education (with no significant change in functions). 8/

P.L. 93-29, Older Americans Comprehensive Services Amendments of 1973, section 804, amended the AEA to authorize separate appropriations for FY 1973 through FY 1975 9/ (in addition to those for formula grants to the States) for discretionary grants for special adult educational projects relating to assisting elderly persons with limited ability to speak and read English. Programs were to be designed to "equip such elderly persons to deal successfully with the practical problems in their everyday life" relating to consumer, transportation, and housing needs, and for complying with governmental requirements relating to citizenship, public assistance, and social security. These grants were available to State and local educational agencies and other public or private nonprofit agencies.

P.L. 93-380, the Education Amendments of 1974, part A of title VI, amended the AEA and authorized it for FY 1975 through FY 1978. 10/ Significant changes

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8/ P.L. 94-273, Fiscal Year Adjustment Act, made a technical amendment to the authorization for the advisory council.

9/ Later extended through FY 1978 by P.L. 94-135, Older Americans Amendments of 1975.

10/ Authorization was extended through FY 1979 by P.L. 95-112, the Education Amendments of 1977.

were made to the State allocation formula: (1) the grant to each State was required to be at least 90 percent of the FY 1983 amount; and (2) the status of Puerto Rico was changed to that of a State (instead of an Outlying Area) under the State allocation formula, thereby reducing the reservation for the remaining Outlying Areas to 1 percent (amended by section 843 of P.L. 93-380). Requirements for AEA State programs were changed, including: (1) a minimum of 15 percent 11/ was required to be spent from each State grant for demonstration projects for innovative methods and teacher training programs (instead of a 10 to 20 percent reservation from the AEA appropriation for discretionary grants for these purposes); (2) State expenditures of AEA funds were limited to not more than 20 percent for programs of high school equivalency and not more than 20 percent for educational programs for institutionalized adults; (3) special assistance was required to meet the needs of persons with limited English-speaking ability through bilingual adult education programs; and (4) States were specifically authorized to establish and maintain State advisory councils for AEA programs. A national information clearinghouse on adult education was established.

P.L. 95-561, the Education Amendments of 1978, part A of title XIII, revised the AEA and authorized it for FY 1979 through FY 1983. Significant changes included substantially greater detail in the requirements for State programs; States were required to: (1) describe the means by which the delivery of services would be expanded through the use of various agencies, institutions, and organizations outside of the public school system; (2) describe the means by which these agencies, institutions, and organizations would be involved with planning and implementation of these services; (3) describe

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11/ The minimum was subsequently reduced to 10 percent by P.L. 94-482, the Education Amendments of 1976.

the efforts that would be taken to increase participation in programs through flexibility in course schedules, convenient locations, adequate transportation, and meeting child care needs; and (4) provide priority assistance for meeting the needs of adult immigrants. Changes were made to the State allocation formula to: (1) eliminate the minimum payment requirement of 90 percent of the FY 1973 State grant; and (2) the inclusion of the Northern Mariana Islands as an Outlying Area. Other changes included: (1) the expansion of the AEA purpose to include programs to "enable all adults to acquire basic skills necessary to function in society;" (2) an increase in the Federal share to 100 percent for each of the Outlying Areas (the share remained at 90 percent for the States and Puerto Rico); (3) the inclusion of public or private nonprofit agencies, organizations, or institutions (instead of private nonprofit agencies) as eligible recipients of AEA State funds, but only if there were prior consultation with the applicable LEA; (4) the authorization of separate appropriations for discretionary grants for research, development, dissemination, and evaluation (the previously authorized clearinghouse was included under this authorization); and (5) the authorization of separate appropriations for an "Adult Education Program for Adult Immigrants."

P.L. 97-35, the Omnibus Budget Reconciliation Act of 1981, section 528, authorized all AEA activities for FY 1984. Section 542 repealed the AEA authorization for the "Emergency Adult Education Program for Indochina Refugees" (originally authorized by P.L. 94-405, the Indochina Refugee Children Assistance Act of 1976). Section 506 placed a limit on the AEA authorization level for FY 1982 through FY 1984.

P.L. 98-511, the Education Amendments of 1984, title I, amended the AEA and authorized it for FY 1985 through FY 1988. Significant changes were made to the State allocation formula and to State data reporting requirements. The allocation formula was changed so that: (1) $100,000 is allocated to each of the Outlying Areas (instead of an aggregate 1 percent of the funds) and $250,000 (instead of $150,000) to each of the States, the District of Columbia, and Puerto Rico; (2) remaining funds are allocated by formula to all States and Outlying Areas (instead of to States only); and (3) no State is to receive less than the amount of its grant in FY 1984. State data reporting requirements were increased by authorizing the Secretary to obtain information regarding students (including the age, sex, and race, as well as whether programs were completed), programs, expenditures, and goals of each State's adult education programs.

Other changes made by P.L. 98-511 included: (1) the statement of purpose was modified to include basic literacy skills (instead of basic skills) and training and education (instead of training); (2) the definition for adult (for the purpose of eligibility to participate in AEA programs) was expanded to include persons under 16 years of age if they are beyond the age of compulsory school attendance under State law; (3) proprietary (for-profit) schools were made eligible to participate in AEA programs; (4) the maintenance of effort requirement was modified to allow the Secretary of Education to waive the requirement for a single fiscal year under "exceptional or uncontrollable" circumstances; (5) dissemination projects (a new provision) and projects for the elderly and adult immigrants were authorized under discretionary grants, and separate authority for the elderly and immigrants was repealed; (6) separate authorization for discretionary grants was replaced by a reservation of up to 5 percent from the regular AEA appropriation, but only if at least $112 million has been appropriated; (7) the provision for a clearinghouse was repealed; (8) State advisory councils, mandatory under previous law, were made a permissive activity.

ALLOCATION FORMULA AND PROCESS

From the annual AEA appropriation, the Secretary of Education may reserve up to 5 percent for discretionary projects, but only if the amount is $112 million or more. The remaining amount is allotted by formula to the States (the 50 States, the District of Columbia, Puerto Rico, and Outlying Areas 12/).

Under the AEA State allocation formula, the Secretary of Education first allots $100,000 to each of the Outlying Areas and $250,000 to each of the States, the District of Columbia, and Puerto Rico. Any remaining funds are allotted to all States and Outlying Areas in proportion to the number of persons 16 years of age or older who have not completed secondary school and who are not currently required to be enrolled in school. No State is to receive less than the amount of its grant in FY 1984. In the calculation of State allotments, the Secretary has used data from the decennial census.

According to appropriation language, AEA funds are made available for allocation to the States on July 1 of the fiscal year of the appropriation legislation, and remain available until September 30 of the following fiscal year.

Within each State, AEA funds must be used according to the approved State plan. No more than 20 percent of these funds can be used for high school equivalency programs, with the remainder for basic skills, including literacy programs. In addition, not more than 20 percent of the total State funds can be used for the education of institutionalized persons, and not less than 10 percent must be used for special demonstration and teacher training programs.

12/ Specified as Guam, American Samoa, the Trust Territory of the Pacific Islands, the Northern Mariana Islands, and the Virgin Islands.

States may use AEA funds to pay for the Federal share of the cost of the establishment or expansion of (a) adult basic education programs and (b) adult education programs conducted by LEAs and public or private agencies, organizations, or institutions. The Federal share is 90 percent of the cost of programs in the States, the District of Columbia, and Puerto Rico, and 100 percent of the cost for the Outlying Areas. Data from State financial reports indicate that in FY 1984, expenditures from State and local sources represented $197 million (67 percent) and expenditures from Federal funds were $95 million (33 percent) of the total Federal, State, and local expenditures for adult education programs. 13/

PROGRAM FUNDING HISTORY

As the following table and graph demonstrate, appropriations have increased overall during the 23 year appropriation history (24 program years) of the AEA. 14/ Funding has increased in 17 of those years, with much of the overall increase occurring between FY 1965 and FY 1979, when the funding level reached $100 million. 15/ Annual funding since FY 1979 has remained more or

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13/ FY 1985 Annual Report by the National Advisory Council on Adult Education, tables 1 and 2.

14/ Appropriation History of Federal Vocational and Adult Education Programs, Fiscal Years 1960-1987 (as of October 18, 1986) [by] Paul M. Irwin. November 25, 1986. CRS report. FY 1965 and FY 1966 appropriations were authorized for the Adult Basic Education program under the Economic Opportunity Act of 1964, P.L. 88-452. Appropriations are excluded for the one-time funding in FY 1980 of adult education programs for immigrants and Indochina refugees and for Cuban and Haitian Immigrants. FY 1987 funding is that provided by a continuing resolution, P.L. 99-500, which provides funding through September 30, 1987.

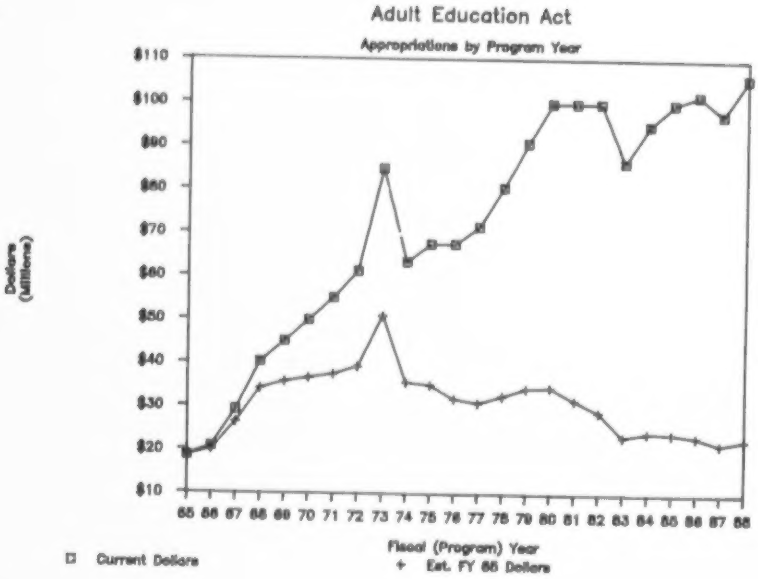
15/ Annual increases of 35 percent or more occurred in fiscal years 1967, 1968, and 1973; these increases were apparently in response to the enactment of, respectively, the AEA (of 1966) as a separate education program, the initial $100,000 minimum State grant, and the increase in the minimum State grant to $150,000.

less stable. After adjusting for the effects of inflation, however, funding has decreased overall, with decreases occurring in 6 of the past 8 years.

The Adult Education Act: Appropriations History For Fiscal Years 1965-1987
In Current And Estimated Constant Dollars, In Terms Of Appropriations (Budget Authority)

Fiscal Year	Adult Education Act Appropriation (in thousands of current dollars)	Percentage Change From Previous Year (current dollars)	Percentage Change From Previous Year (constant dollars)
1965	$18,612		
1966	$20,744	11.5%	7.7%
1967	$29,200	40.8%	31.8%
1968	$40,250	37.8%	29.2%
1969	$45,000	11.8%	4.6%
1970	$49,900	10.9%	2.6%
1971	$55,000	10.2%	2.3%
1972	$61,134	11.2%	4.6%
1973	$84,834	38.8%	29.7%
1974	$63,286	-25.4%	-30.0%
1975 (for 1975)	$67,500	6.7%	-1.7%
1975 (for 1976)	$67,500	0.0%	-8.8%
1976 (for 1977)	$71,500	5.9%	-2.9%
1977 (for 1978)	$80,500	12.6%	5.2%
1978 (for 1979)	$90,750	12.7%	5.2%
1979 (for 1980)	$100,000	10.2%	0.9%
1980 (for 1981)	$100,000	0.0%	-8.5%
1981 (for 1982)	$100,000	0.0%	-8.3%
1982 (for 1983)	$86,400	-13.6%	-19.4%
1983 (for 1984)	$95,000	10.0%	3.9%
1984 (for 1985)	$100,000	5.3%	-0.9%
1985 (for 1986)	$101,963	2.0%	-2.9%
1986 (for 1987)	$97,579	-4.3%	-7.0%
1987 (for 1988)	$105,981	8.6%	4.3%
Net change, 1965 to 1987 (for 1988)		469.4%	22.3%

Note: The price index used is the (fixed-weight) deflator for State and local government purchases of services, received from the Bureau of Economic Analysis, Department of Commerce, on Aug. 19,1986. For fiscal year 1986, the index is based on data for the first 3 quarters of the year only. Also, for fiscal years 1987 and 1988, the index is estimated on the basis of Congressional Budget Office projections of the rate of increase in the overall Gross National Product deflator (published in Aug. 1986).


Adult Education Act
Appropriations by Program Year
$110
$100
$90
$80
$70
$60
$50
$40
$30
$20
$10
Dollars (Millions)
65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88
Fiscal (Program) Year
□ Current Dollars
+ Est. FY 88 Dollars

PARTICIPATION LEVEL AND TRENDS

Participants in the AEA State-administered grant program are shown in the following table. For FY 1965 and FY 1966, participants under the Adult Basic Education program authorized by the Economic Opportunity Act of 1964 are shown. From FY 1967 to FY 1985, the number of AEA participants in State grant programs has grown more than 7 times.

Fiscal year	State grant participants
1965	37,991
1966	377,660
1967	388,935
1968	455,730
1969	484,626
1970	535,613
1971	620,922
1972	820,514
1973	822,469
1974	956,401
1975	1,221,210
1976	1,651,094
1977	1,686,300
1978	1,811,100
1979	1,806,300
1980	2,057,982
1981	2,261,252
1982	2,167,854
1983	2,576,332
1984	2,596,544
1985	2,879,125

Source: FY 1985 Annual Report by the National Advisory Council on Adult Education (table 3) and an unpublished table from the adult education program office of the Department of Education.

SYNTHESIS OF EVALUATION FINDINGS

The AEA program has not been evaluated since 1980, and program data have not been collected in a systematic way since 1981. Some financial and participation data have been obtained from annual State performance reports, and a technical design study was conducted in 1984. The 1984 study indicated that States have information suitable for use in a national evaluation of adult education programs, and recommended the conduct of a cost-benefit pilot project to collect additional information. 16/ Unless appropriations are provided for AEA discretionary grants, the Department of Education (ED) has no immediate plans to conduct either the pilot project or other AEA evaluation activities.

Is the Target Population Being Served?

Several target populations are implied in the AEA legislation. It should be noted, however, that the requirements are generally stated in terms of types of persons served or the percentages of funds reserved for specific programs, and not in terms of percentages of participants (or target populations).

Participants in AEA programs are limited to those adults who have not completed high school, and of these, no more than 20 percent of the AEA funds allocated to the States can be used for high school equivalency programs. States are required to give special assistance to the needs of adults with limited English proficiency (as defined in the Bilingual Education Act). 17/ In addition, States are required to serve "all segments of the adult population." Of the 2.6 million AEA program participants in FY 1984, approximately 25 percent

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16/ Sherman, J.D. and Stromsdorfer, E.W. Model for Benefit-cost Analysis of Adult Education Programs, Pelavin Associates, Inc., 1984.

17/ This requirement was first enacted in 1974 as part of P.L. 93-380.

received instruction in English as a second language (ESL). Overall, 1.9 million (about 73 percent) persons participated in adult basic education programs (grades kindergarten through 8 and ESL), with the remainder participating in programs for grades 9 through 12. With regard to the age of participants, approximately 80 percent were between 16 and 44 years old, while the remaining 20 percent were 45 years old or older.

No more than 20 percent of the AEA grants to State are to be spent for programs for institutionalized persons, and no less than 10 percent for special demonstration and teacher training programs. Available data do not precisely correspond with these requirements. 18/ Data from FY 1984 State reports indicate that funds were distributed to recipient agencies as follows: LEAs, 58 percent; colleges and universities, 21 percent; intermediate education agencies, 11 percent; State agencies, 5 percent; and institutions and other agencies, 5 percent. 19/

Information from FY 1981 State reports provides additional information concerning the distribution of AEA grants and services to various target populations within States. With regard to AEA programs, whites accounted for 46 percent of the participants; Hispanics, 22 percent; blacks, 21 percent; Asian and Pacific Islanders, 10 percent; and American Indian and native Alaskans, 1 percent. 20/ In FY 1981, 54 percent of the participants were female and 46 percent were male. State reports from FY 1981 indicate that States used numerous agencies, organizations, and institutions (in addition to LEAs) in the delivery and expansion of adult educational services, including businesses and

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18/ For example, LEAs could use funds for both adult basic education programs and for programs to serve institutionalized persons.

19/ FY 1985 Annual Evaluation Report, U.S. Department of Education.

20/ FY 1982 Annual Evaluation Report, U.S. Department of Education.

industries, churches, voluntary and community organizations, and job training agencies. Churches were reported as the primary provider of support services for participants; these services included transportation and child care.

Are the Objectives Being Met?

The last national evaluation of the AEA program was completed in 1980. 21/ The final report of that evaluation contained several conclusions related to AEA objectives (and appear to remain relevant following the 1984 amendments to the AEA), including:

1. Increasing numbers of adults are being served, but there continues to be a large, unmet need for services to adults not being served by existing programs; the study is particularly concerned about the lack of services to adults who are "most in need" but suggests that there is little State or local agreement about who these persons are and how to recruit them;
2. The program appears to be benefiting a reasonably large number of adults at a remarkably low Federal cost;
3. There seems to be an overall lack of clarity regarding the target population; some programs concentrated on high-school equivalency, some on educational skills related to employment, and some on persons with special needs that are identified in the AEA;
4. Although most projects are administered by LEAs, most of the participants received services outside of formal school classrooms;
5. The study does not support the possible need for special preparation or credentials for adult education instructors, primarily because no agreement was found concerning what constitutes necessary or proper preparation.

These findings, in conjunction with the discussion of target populations above, indicate that the AEA is meeting part of its objectives, "to expand educational

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21/ An Assessment of the State-administered Program of the Adult Education Act, Development Associates, Inc. July 1980. (Prepared for the Office of Program Evaluation, U.S. Department of Education.)

opportunities for adults and to encourage the establishment of programs of adult education."

The findings do not appear to support the success of the AEA in meeting other objectives, such as enabling "all adults to acquire basic literacy skills," and enabling "adults who so desire to continue their education to at least the level of completion of secondary school." A similar conclusion was reached from a 1984 ED survey of a sample of States; ED found that "by any definition only a small proportion of the target population is served by existing programs" and that recent high school dropouts have become an increasing part of that population. 22/ A somewhat different conclusion was reached in the 1986 report on "Illiteracy in America," where the National Advisory Council on Adult Education stated:

> Told repeatedly by educators that Federal funds to combat illiteracy were insufficient, we tried to determine what amount would be sufficient--how bad the problem is and what success this country is having in combating it. We were amazed to find that no one really knows. What we did find was a lack of data to substantiate any claim of need, no plans to gather the data, and a confusing range of estimates of the number of illiterates. 23/

Partially in response to the lack of current program data, the 1984 amendments to the AEA (P.L. 98-511) strengthened the provisions requiring States to report to the Secretary of Education concerning "students, programs, expenditures, and goals" of their adult education programs. Currently, ED is in the process of collecting these data, but none of it has been published yet.

22/ U.S. Department of Education, Justification of Appropriation Estimates for Committees on Appropriations, Fiscal Year 1986 [on vocational and adult education], p. 314.

23/ Illiteracy in America: Extent, Causes, and Suggested Solutions, The National Advisory Council on Adult Education. 1986. p. iii.

ADDITIONAL PROGRAM BACKGROUND INFORMATION AND ISSUES

Discussions of adult education programs are frequently linked to problems of adult literacy. 24/ As noted above by the National Advisory Council on Adult Education, there is "a lack of data to substantiate any claim of need, no plans to gather the data, and a confusing range of estimates of the number of illiterates." ED has taken several steps to alleviate this problem, however. It launched the Adult Literacy Initiative in 1983, designed "to increase national attention to the promotion of adult literacy and to enhance existing literacy programs, while utilizing the Department's expertise in coordinating literacy programs nationwide." The Initiative is not a legislatively mandated program, but is based on various discretionary authorities available to the Secretary of Education.

Under the Initiative, ED analyzed the Census Bureau's 1982 English Language Proficiency Survey to estimate that there are between 17 and 21 million illiterate adults, age 20 and over. 25/ The National Assessment of Educational Progress, in conjunction with the Initiative, sponsored a 1985 survey of the literacy skills of young adults age 21 to 25 years. The survey defined 3 types of literacy--prose, document, and quantitative--and found that an "overwhelming" majority of young adults performed adequately at the lower level of each

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24/ For a more complete discussion of the latter topic, see Congressional Research Service Issue Brief 85180, Adult Literacy Issues, Programs, and Options.

25/ U.S. Department of Education, justification of appropriation estimates for Committees on Appropriations, fiscal year 1987 [on vocational and adult education], p. 399.

type of literacy, but that only a relatively small percentage performed the more complex and challenging tasks associated with each type of literacy. 26/

ED's Adult Literacy Initiative also sponsored a survey of Federal programs providing literacy services and basic skills for the adult population. On June 12, 1986, ED testified on its findings at joint congressional hearings. 27/ The survey identified 79 programs in 14 Federal agencies that serve many different populations. An estimated total Federal expenditure of $347 million in FY 1985 was identified with these programs. However, ED considers this amount under-reported, since 47 of the 79 programs were unable to identify specific funding for literacy activities. Numbers of program participants were not collected by the survey.

In the ED survey, 3 Federal agencies--ED, the Department of Health and Human Services (HHS), and the Department of Defense (DOD)--accounted for nearly all of the FY 1985 funds for literacy and basic skills programs for adults. ED programs included the AEA ($82 million, excluding high school equivalency programs), vocational education basic grants to States authorized under the Carl D. Perkins Vocational Education Act ($147 million, for the adult literacy component of funds designated for basic skills and for the disadvantaged), programs for neglected and delinquent children authorized under chapter 1 of the Education Consolidation and Improvement Act of 1981 ($18 million), and vocational rehabilitation centers for independent living authorized under the Vocational Rehabilitation Act ($7 million). Expenditures of $50 million were

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26/ Kirsch, Irwin S. and Ann Jungeblut. Literacy: profiles of America's young adults. National Assessment of Educational Progress, Educational Testing Service (report no. 16-PL-02). 1986.

27/ Joint oversight hearings on illiteracy, House Subcommittee on Elementary, Secondary, and Vocational Education and Senate Subcommittee on Education, Arts, and Humanities. (Joint hearings, 99th Congress, 2d session, June 12, 1986.)

identified for the HHS grant program providing comprehensive services to developmentally disabled persons. DOD expenditures of $25 million were identified for several basic skills and skill enhancement programs for military personnel. Estimates of expenditures for literacy and basic skills programs were not identifiable for several Federal programs, including most Job Training and Partnership Act programs, Volunteers in Service to America (VISTA) programs, the Cooperative Extension Service, veterans' assistance programs, and various community block grants.

SOURCES OF ADDITIONAL INFORMATION

U.S. Library of Congress. Congressional Research Service. Education and Public Welfare Division. Adult literacy issues, programs, and options [by] Paul M. Irwin. [Washington] 1985. (Issue Brief 85180) Regularly updated.

----- Summary of the Adult Education Act, as amended by the Education Amendments of 1984 (P.L. 98-511), by Paul M. Irwin. [Washington] 1984. 12 p. (Report no. 84-829 EPW)

----- Appropriation history of federal vocational and adult education programs, fiscal years 1960-1987 (as of October 18, 1986), by Paul M. Irwin. [Washington] 1986. 2 p. (CRS report)

----- Adult literacy: problems and alternatives, by Paul M. Irwin. [Washington] 1983. 27 p. (CRS report)

X. "MATH/SCIENCE" EDUCATION PROGRAM AUTHORIZED UNDER TITLE II OF THE EDUCATION FOR ECONOMIC SECURITY ACT (P.L. 98-377)

SUMMARY OF PROGRAM PURPOSE AND STRUCTURE

The national concern about the declining quality of math and science programs in the Nation's schools was a major factor contributing to the enactment of the mathematics and science education program under title II of the **Education for Economic Security Act** (P.L. 98-377). Student performance on standardized tests was viewed as inadequate both in terms of the recent trends in scores for American students and comparative data for American students and students in other nations. [1] The concerns included the perceived decline in America's competitive position in international trade, concerns about the quality of high school graduates because of declining test scores on college entrance examinations, need for researchers in science and technology areas, and shortage of qualified elementary and secondary science and mathematics teachers.

The recommendations in the various school "reform" reports released since 1983 have proposed a variety of actions to improve the quality of the Nation's teaching force in general, and math and science teachers in particular. 2/ An additional dimension to the problem of a sufficient number of qualified math and science teachers has been the predictions of a shortage of qualified teachers because of: (1) the recent upward trends in total school enrollments that are more pronounced in some parts of the Nation; and (2) projections that the number of new teachers will be insufficient to staff the classrooms. 3/

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[1] A Nation Prepared: Teachers for the 21st Century. Carnegie Forum on Education and the Economy. Washington, D.C. May 1986; and Comparison of the Achievement of American Elementary and Secondary Pupils With Those Abroad--The Examinations Sponsored by the International Association for the Evaluation of Educational Achievement, by Wayne Riddle. [Washington] 1986. (White Paper no. 86-683 EPW)

These predictions suggest that the teacher surplus of the past several years has been replaced by a projected teacher shortage for the next several years. The concerns about teacher quality and supply are considered to be more severe in science and mathematics because of the continuing need for teachers to update their teaching skills and content knowledge and the competition for high-ability persons educated in mathematics and science from the private sector. In fact, the supply of new teacher education graduates in science and mathematics may be insufficient to cope with normal attrition in these areas of the teaching force. 4/ Federal programs to address the problems related to improving the Nation's teaching force have been limited. 5/

2/ For additional information, see: Education in America: Reports on its Condition, Recommendations for Change. CRS Issue Brief 83106 [by] James B. Stedman. Updated regularly; and Education Reform Reports: Content and Impact. CRS Report No. 86-56 EPW. March 17, 1986. [by] James B. Stedman and K. Forbis Jordan.

3/ The Condition of Education. 1985 Edition. National Center for Education Statistics. Department of Education. 1985. p. 137-176.

4/ For additional information, see: Educating Americans for the 21st Century. National Science Board Commission on Precollege Education in Mathematics, Science, and Technology. National Science Foundation. 1983. p. 27-37.

5/ Federal programs to improve teaching include the Carl D. Perkins college scholarships for prospective teachers authorized in title V-E of the Higher Education Act; territorial teacher training under section 1525 of P.L. 95-561; Excellence in Education Grants (P.L. 98-377) to local schools exhibiting a commitment to excellence; and Leadership in Educational Administration Development (LEAD) grants to State-level consortia of higher education institutions, State educational agencies (SEAs), and local educational agencies (LEAs) for improving the skills of practicing school administrators (title IX

General Description

In response to the concern about the quality of science and mathematics instruction, the Congress enacted title II of the **Education for Economic Security Act** (P.L. 98-377). The purpose of the legislation is to improve public, and private nonprofit, elementary and secondary school instruction in science, mathematics, foreign languages, and computer learning; the legislation is popularly referred to as the "math/science program." Funds may be used to provide "training, retraining, and inservice training" for elementary and secondary school teachers in the target subject areas, and, when these needs have been met, to develop and acquire related instructional materials and equipment. The intent is that all programs give special attention to ways in which access can be increased for underrepresented and underserved populations [6] and for gifted and talented students.

Under title II, formula grants are made to local educational agencies (LEAs) through State educational agencies (SEAs), and competitive grants are made to LEAs and institutions of higher education by the SEA and also by the State agency for higher education (SAHE). In addition, the Secretary of Education is authorized to make discretionary grants. (Details of the formulas are provided under "Allocation Formula and Process.")

SEAs are required to submit a State plan to the Secretary of Education before the State's funds are allocated; in the same manner, LEAs are required

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of P.L. 98-558 and later P.L. 99-498). The FY 1987 appropriations for these programs total approximately $26.7 million.

[6] Section 206(d) of P.L. 98-377 indicates that the reference to historically underrepresented and underserved populations of students includes females, minorities, handicapped individuals, individuals with limited English proficiency, and migrant students.

to submit a plan to the SEA. Before funds are allocated to LEAs, plans are reviewed by the SEA to ensure conformance with the statute.

Initial funding for the title II programs was provided in FY 1985. However, programs were not implemented in the States and LEAs until the 1985-86 school year because grant awards for FY 1985 were not announced until July 2, 1985.

Program to be Conducted by LEAs

The funds are to be used by the LEAs for the expansion and improvement of inservice training and retraining of teachers and other appropriate school personnel in the fields of mathematics and science, including vocational education teachers who use mathematics and science in their classes. Statutory provisions permit LEAs to carry out program activities in cooperation with one or more other LEAs or the SEA, or both.

If the LEA can demonstrate that the need for training and retraining mathematics and science teachers has been met, program funds may be used for training, retraining, and inservice training in computer learning and foreign language instruction, and the acquisition of instructional materials and equipment related to mathematics and science instruction. However, in no instance may an LEA use more than 30 percent of its funds under this program to purchase computer and computer-related instructional equipment, or more than 15 percent to strengthen instruction in foreign languages.

Consistent with the number of children enrolled in private, nonprofit elementary and secondary schools, either the LEA or the SEA must arrange to include services and arrangements for such children and their teachers to assure their equitable participation in the purposes and benefits of programs and activities. If an SEA or LEA has failed, or is unwilling, to provide programs and activities on an equitable basis to these children and their teachers, the Secretary must arrange to provide these children with services.

Each LEA desiring to receive funds must make an assessment of its need for assistance in: (1) teacher training, retraining, and inservice training of school personnel in mathematics, science, foreign language, and computer learning, including the availability (supply) and qualifications (level of training) of secondary teachers and the qualifications of elementary teachers in these areas; (2) improvement of instructional materials and equipment related to mathematics and science education; and (3) improvement of access to instruction in mathematics, science, foreign languages, and computer learning of the historically underserved and underrepresented populations and of the gifted and talented, and an assessment of the current degree of access to such instruction of such students. Each LEA's assessment plan is to be completed within 9 months of the date on which funds became available to the LEA, and the plan must describe how the LEA plans to meet its identified needs.

Programs to be Conducted by SEAs

Of each SEA's funds for elementary and secondary education, at least 20 percent (of the 70 percent) must be used for demonstration and exemplary programs for teacher training and retraining in mathematics and science, foreign language instruction, and computer learning; instructional equipment and materials; projects for historically underserved populations and for gifted and talented students; and dissemination of information about exemplary programs in mathematics, science, computer learning, and foreign languages.

At least 5 percent (of the 70 percent) of the SEA's funds must be used to provide technical assistance to LEAs in the conduct of these programs, and no more than 5 percent (of the 70 percent) may be used to conduct the State assessment and to administer and evaluate these programs.

Programs to be Conducted by SAHEs

Of the total grant to each State, 30 percent must be allocated to the SAHE. Of each SAHE's funds, at least 75 percent (of the 30 percent) is to be used for competitive grants to institutions of higher education in the State to train new mathematics and science teachers; retrain other existing teachers so that they may specialize in mathematics, science, foreign languages, and computer learning; and provide inservice training for elementary, secondary, and vocational teachers to improve their teaching skills in mathematics, science, foreign languages, and computer learning.

The SAHE must use at least 20 percent (of the 30 percent) of the funds for cooperative programs among institutions of higher education, LEAs, SEAs, and other public and nonprofit private agencies; these programs are to be designed to improve student understanding and performance in science, mathematics, and "critical" foreign languages, as determined by the Secretary of Education.

Not more than 5 percent (of the 30 percent) of the SAHE's allocation must be used for: (1) a State assessment of needs of institutions of higher education related to mathematics, science, foreign language, and computer learning; and (2) the State-level costs of administration and evaluation of these programs and activities.

Secretary's Discretionary Fund

Of the 9 percent of the annual appropriations provided for the Secretary's discretionary fund, 75 percent must be used by the Secretary to award grants to and enter into cooperative agreements with SEAs, LEAs, institutions of higher education, and nonprofit organizations and agencies for programs of national significance to improve instruction in mathematics and science, computer learning, and critical foreign languages. Special funding consideration must be given to magnet school programs for gifted and talented students, and to programs providing special services to historically underserved and underrepresented populations in the fields of mathematics and science. From these funds, the Secretary must reserve up to $3 million annually for evaluation and research activities that include an analysis of alternative methods to improve instruction in mathematics and science; an annual evaluation of this program and of the body of research on improving teacher training, retraining, inservice training, and retention; and the development of curricula and materials in mathematics and science.

From the remaining 25 percent (of the 9 percent available annually), the Secretary must make grants to institutions of higher education for the improvement and expansion of instruction in critical foreign languages.

State Assessment Requirements

Not later than 9 months after funds become available, each State that has applied for and received funds under this program is to prepare a preliminary assessment of the status of instruction in mathematics, science, foreign languages, and computer learning. (Funds first became available to the States on July 2, 1985.) These assessments must be submitted jointly by the SEA and the SAHE, and developed in consultation with State and local officials and representatives of interested public, and private nonprofit, agencies and groups within the State.

The State-assessment report must be prepared after an examination of the LEA assessments, and must include a five-year projection of: (1) the availability of qualified mathematics, science, foreign language, and computer learning teachers at the elementary, secondary, and postsecondary levels within the state; (2) qualifications of current teachers in these subject fields; (3) State standards for teacher certification in these subject fields; (4) availability of adequate curricula in these subject fields; and (5) degree of access that historically underrepresented and underserved individuals, and the gifted and talented, have to these subject fields. The report also must include a description of the programs, initiatives, and resources committed or projected to be undertaken within the State to improve: (1) teacher recruitment and retention; (2) teacher qualifications in the target subject fields; (3) curricula and instructional materials and equipment in the target subject fields, and (4) access of underrepresented and underserved populations, and the gifted and talented, to the subject areas.

Each State must submit its completed assessment report to the Secretary no later than the end of the first year for which funds have been available. Grant awards were announced by the Department of Education on July 2, 1985. The date for the submission of the assessment report was July 2, 1986. 7/ Following receipt of the assessment reports, the Secretary then is required to prepare and submit to the Congress a summary report of the assessments conducted by the individual States "as soon as practicable." Reportedly, the Secretary of Education does not plan to submit the summary report to the Congress until February 1987 or later.

7/ On December 10, 1986, ED personnel indicated that assessment reports had not been received from three States.

BRIEF LEGISLATIVE HISTORY

Legislative action concerning the math/science program occurred in two phases. **Title II of the Education for Economic Security Act (P.L. 98-377)**, was enacted on August 11, 1984, and subsequently was amended by **P.L. 99-159.**

Interest and support for passage of the math/science legislation were high at the start of the 98th Congress, but 18 months passed before final action was taken. H.R. 1310, was introduced on February 8, 1983, and jointly referred to the Committee on Education and Labor and the Committee on Science and Technology. The bill's purpose was to improve elementary and secondary school instruction in science, mathematics, computer learning, and foreign languages. The House passed H.R. 1310, as amended, on March 2, 1983. The Senate bill, S. 1285, introduced on May 16, 1983, was passed as an amended version of H.R. 1310 by the House and Senate on June 27, 1984, and forwarded to the President. The authorizations provided $350 million for FY 1984 and $400 million for FY 1985. Title II was extended and amended by the **National Science, Engineering, and Mathematics Authorization Act of 1986 (P.L. 99-159).** No new provisions were authorized, but technical and clarifying amendments were enacted. The principal changes were to extend the authorizations at the level of $350 million annually through FY 1988; to reduce the amount of the Secretary of Education's discretionary fund from 10 percent to 9 percent; to clarify the formula for allocation of funds to LEAs; to make foreign language teachers eligible for higher education programs; to amend the assessment requirements; and to require the Secretary of Education to summarize the State/local assessments in a report to the Congress. Other technical changes required that the Secretary use a portion of the discretionary funds for specific activities, clarified the definition of eligible non-public schools and organizations, and reduced the amount of funds for the Outlying Areas.

ALLOCATION FORMULA AND PROCESS

The title II statutory provisions prescribe how that the funds are to be distributed among the various agencies and functions. (See table 1.) From 1 percent of the total funds appropriated, the Secretary must allot funds to the Outlying Areas according to their respective needs, but not less than half of this amount is to be allocated for programs in elementary and secondary schools operated for Indian children by the Department of Interior. In addition, of the remaining appropriations, 9 percent may be retained by the Secretary of Education for discretionary grants to national priority activities.

TABLE 1. Allocation of Funds Under Title II of the Education for Economic Security Act

Recipient	Percent	Purpose
Schools in the outlying areas	0.5 a/	Local school programs
Bureau of Indian Affairs schools	0.5 b/	Local school programs
Secretary's discretionary fund	9.0 a/	National priority programs
State educational agency	90.0 c/	Grants to LEAs and SAHE

a/ No more than this percentage is to be used for this purpose.
b/ No less than this percentage is to be used for this purpose.
c/ This percentage is to be allocated to the SEAs.

The remaining 90 percent of each annual appropriation is allocated to the States through formula grants based on each State's share of the Nation's school-age population (5-17 years), with each State receiving a minimum grant of 0.5 percent (of the 90 percent). Of the funds received by the State, 70 percent is to be administered by the SEA, and 30 percent is to be administered by the SAHE through discretionary grants to institutions of higher education (IHEs). (See table 2 for the distribution of the funds received by a State.)

Of the 70 percent of the State's allocation administered by the SEA for elementary and secondary programs, not less than 70 percent (of the 70 percent) is distributed to LEAs in the State. Of these funds, 50 percent is distributed on the basis of each LEA's share of the State's public and private elementary and secondary school enrollment, and 50 percent on the basis of each LEA's share of the State's total number of children counted for the purposes of allocating funds under chapter 1 of the Education Consolidation and Improvement Act of 1981 (the Federal program for educationally disadvantaged children). The effect of this latter provision is to allocate a greater proportion of the funds to LEAs with larger than average numbers of children in poor families.

TABLE 2. Allocation of State Funds Under Title II of the Education for Economic Security Act

Recipient	Percent	Purpose
SEA for LEAs	49.0 a/	Local school programs
SEA	14.0 a/	Discretionary grants to LEAs
SEA	3.5 a/	Technical assistance of LEAs
SEA	3.5 b/	Assessment and administration
SAHE	22.5 a/	Discretionary grants to IHEs
SAHE	6.0 a/	Cooperative programs
SAHE	1.5 b/	Assessment and administration

a/ No less than this percentage is to be used for this purpose.
b/ No more than this percentage is to be used for this purpose.

PROGRAM FUNDING HISTORY

For FY 1985, the appropriation for this program was $100 million, and funds were available immediately for obligation and remain "available until expended." However, grant awards were not announced by the Department of Education until July 2, 1985; consequently, funds were not available until the

1985-86 school year. For FY 1986 and FY 1987, appropriations were available to SEAs and SAHEs from July 1 following enactment through September 30 of the next calendar year. The final appropriation for FY 1986 was $42.07 million and for FY 1987 is $80 million. Annual appropriations are shown in table 3.

TABLE 3. Authorizations and Appropriations for Title II of the Education for Economic Security Act (P.L. 98-377) (in millions) a/

Fiscal year	Appropriation
1984	-0-
1985	$100
1986	42
1987	80

a/ Given the brief history of this program, appropriations are expressed only in current dollars.

PARTICIPATION LEVEL AND TRENDS

The first year of operation for the title II math/science program was the 1985-86 school year, and needs assessment/evaluation data have not been submitted to the Congress by the Secretary of Education. Reports have been submitted to the Department of Education by the States, but the composite has not been completed. Obviously, trend information is not yet available.

SYNTHESIS OF EVALUATION FINDINGS

Department of Education staff have made evaluation field visits to several States, but the findings of this study have not been made available. No reports on State or local evaluations have been received. Policy makers do not have sufficient information to determine if the formula grant used in allocating funds to States and LEAs has encouraged LEAs to develop programs to improve instruction in the target subject areas, or if the involvement of SEAs, SAHEs, LEAs, and institutions of higher education has increased the possibility of significant long-term improvement of instruction in the target areas.

ADDITIONAL PROGRAM BACKGROUND INFORMATION AND ISSUES

The principal issues related to the math/science program are: (1) duplication of activities permissible under the State education block grant authorized by chapter 2 of the Education Consolidation and Improvement Act of 1981; (2) Federal versus State/local priorities; (3) magnitude of the teacher supply and demand problem; (4) absence of information about the uses of funds or types of activities supported by the program; (5) potentially limited impact of the program because of the formula allocation procedures and the relatively small amount of funding for this program when compared to the approximately $130 billion in total local, State, and Federal expenditures for elementary and secondary education during the 1985-86 school year; and (6) appropriateness of Federal action.

Duplication of the Chapter 2 State Education Block Grant

One continuing issue is whether a Federal math/science initiative is needed because similar activities were included in the broad list of permissible activities authorized under provisions of the chapter 2 State education block grant in the Education Consolidation and Improvement Act of 1981 (ECIA). One difference is that the math/science program is relatively more focused. Under the current math/science legislation, activities are restricted to the improvement of instruction in mathematics, science, foreign languages, and computer learning, but under the chapter 2 State education block grant, permissible activities could include improvement of instruction in all subject areas in elementary and secondary schools.

The types of decisions that local school officials may make when provided with the opportunity to set local priorities is illustrated in their choices concerning the use of chapter 2 block grant funds; a recent study of LEA expenditure patterns for the block grant reported that 11 percent of the funds were used for curriculum development and staff development in all subject areas. The general tendency was for larger percentages of funds to be used for these activities in the larger LEAs. [8] This finding suggests that, of the approximately $400 million that has been allocated annually to LEAs from the State education block grant in recent years, LEAs were spending about $44 million annually for curriculum development and staff development in all subject areas. This amount is comparable to the FY 1986 appropriation of $42.07 million for the math/science program and the $80 million for FY 1987.

Federal Versus State/Local Priorities

Under the math/science program, the Federal legislation requires that funds be focused on improving teacher skills and instruction in specific subject areas that have been identified in the legislation. Under the math/science program, decisions about specific activities are made by SEAs, SAHEs, or LEAs rather than at the Federal level. However, if the goal is to have more standardized activities, greater control over approval of LEA plans could be given to the SEA; the legislation could be made more detailed; or SEA, SAHE, and LEA project proposals could be subject to the review and approval of the Secretary of Education.

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[8] Apling, Richard and Christine L. Padilla. Funds Allocation and Expenditures under the Education Block Grant. SRI International. Menlo Park, California. ED Contract No. 300-83-0286, SRI Project No. 6684. January 1986. p. 39.

Magnitude of the Teacher Supply and Demand "Problem"

An assumption used in justifying the math/science program is that the current and projected teacher supply and demand conditions are of sufficient magnitude to justify a Federal program. Teacher supply and demand issues can be viewed from two perspectives--quality and quantity. The concept of teacher quality refers to the academic ability of current and prospective teachers and also to the knowledge that these persons have of their subject areas. In reviews of teacher education programs, concerns have been raised about both areas. Various studies have reported that the "best and brightest" college students are not entering teaching and that potential teachers continue to score below the average for all college students on standardized tests. Regarding experienced teachers, even though they may have been current in their disciplines at one time, the contention has been made that significant numbers of today's teachers in such fields as mathematics and physical sciences are not current with developments in their disciplines. This long-term problem of quality in the Nation's teaching force has been exacerbated by alternative employment opportunities, particularly for minorities and women. Education historically has relied on these two groups to staff the schools, but pressures for desegregation, affirmative action, and equal opportunity have provided both groups with easier access to a wider range of jobs that may be perceived as being more prestigious and financially rewarding than teaching. 9/

The concept of teacher quantity refers to the relationship between the supply of qualified teachers and the demand as illustrated by the number of teaching vacancies. In the fall of 1985, after a 15 year period of oversupply, many local school districts began to experience teacher shortages because of increased school enrollments in the primary grades, pressures for more teachers resulting from higher high school graduation requirements, and an insufficient number of students completing teacher education programs. Of the Nation's almost 2.5 million elementary and secondary school teachers, the National Education Association has indicated that half will have to be replaced within the next decade because of normal attrition and retirement. In 1985, the former National Center for Education Statistics in the Department of Education projected an annual shortage of 40,000 persons when the projected need for "new" teachers was compared with the projected number of college graduates from teacher education programs. 10/

Absence of Information

Assessment of the impact of this Federal program for improvement of math/science instruction may be even more difficult than assessment of the current chapter 2 State education block grant. The lack of statutory reporting requirements other than the initial assessment under the math/science program

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9/ Teacher Supply and Demand. CRS White Paper 85-994 S, October 9, 1985. [by] K. Forbis Jordan.

10/ For additional discussion about the teacher supply and demand issues, see: Teacher Supply and Demand. CRS White Paper 85-994 S, October 9, 1985. [by] K. Forbis Jordan.

has contributed to criticism of both programs because of the absence of comprehensive information about activities or uses of funds.

Since funds for the math/science program did not become available until the 1985-86 school year, evaluation and program participation information has not become available. For example, policy makers do not know: (1) whether the activities being conducted under the math/science program duplicate activities conducted with funds under the chapter 2 ECIA State education block grant; or (2) whether the funds for this program are sufficiently large to have an impact on improvement of instruction in the target subject areas; or (3) how many years will be required to ascertain if positive changes in either the teaching force or the instructional process are associated with any particular activity.

This lack of information likely will influence the deliberations about continued funding for this program. Information from the State/local needs assessment has not been available when the Congress has acted on appropriations for the math/science program. The Secretary of Education is required to submit to the Congress a summary of the State/local needs assessment reports, but no information is available concerning the issues that the Secretary may address in the report.

Potential Impact

In the context of total funding for elementary and secondary education, funding for this program is small; the FY 1987 appropriations of $80 million for the math/science program in the 1987-88 school year represents less than $2 per pupil or a little more than $30 per teacher in the Nation's public and private, nonprofit elementary and secondary schools. In view of this small amount of funds, one question about the program's potential impact is whether program funds should be targeted to a greater extent on specific activities and concentrated on a more limited number of LEAs through State or national competitive grants. Even though the current program has the advantages of providing funds to all LEAs and permitting LEAs to design programs oriented to their needs, many LEAs will have difficulty implementing programs because of their small allocation.

A second question related to potential impact of the math/science program is whether the level of Federal funding under this program is sufficient "to make a difference" in the Nation's schools or is a "token" effort that may raise public expectations without making an observable impact on either the quality of teachers and instruction in the schools, or on student achievement. Questions about impact will become more critical if advocates for disciplines other than science, mathematics, computer learning, and foreign languages seek expansion of the program so that coverage is provided to all disciplines without a commensurate increase in funds. [11]

Appropriateness of Federal Action

Education is viewed by many as being a State responsibility, a local function, and a national concern. Several positions can be stated concerning the merits of a Federal program for improving instruction in science, mathematics, computer learning, and foreign languages.

First, spokespersons for some facets of the business community contend that, irrespective of tradition, a Federal initiative to improve the schools is needed because of the Nation's declining competitive position in world trade.

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[11] The Administration's FY 1987 budget proposal recommended that the program be amended to permit coverage to all disciplines, but the Congress did not act on the proposal.

Adequately trained personnel in mathematics, science, and foreign languages are especially critical in the areas of international commerce and national defense, which are traditional areas of Federal responsibility. In addition to the need for persons with high levels of technical training, many employers do not think that typical high school graduates are adequately trained to enter the Nation's workforce. The level of funding in this proposal may not be viewed as sufficient to have an impact on these problems; however, the contention can be made that even a low-funded, symbolic program is illustrative of Federal interest and concern and could have a positive effect on instruction in the target subject areas.

Second, a counter position is that education as a governmental function is a responsibility of the individual States and that efforts to exert Federal control over the schools are to be avoided. Under this position, the possibility of direct or indirect Federal control over the schools would be enhanced by Federal programs to improve instruction in specific subject areas. Even though the teacher inservice training programs would be planned and conducted by LEAs, and there is general agreement concerning the need for improving instruction in these areas, the contention is that this effort might result in an increased Federal presence in the classroom and Federal control over school programs. An additional facet of the Federal control argument is that this type of Federal program might result in the development of a national test for teachers or greater standardization of school curricula. 12/

Third, a position supporting Federal action is that the current Federal interest in the improvement of instruction in elementary and secondary education is not new; in the 1960s, Federal programs to address the teacher

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12/ For additional information, see: National Teachers Examination: Background and Issues. CRS White Paper 85-731 S, April 19, 1985. [by] K. Forbis Jordan.

quantity and quality concerns included the Education Professions Development Act, Teacher Centers, and Teacher Corps. Also, in the late 1950s, the National Defense Education Act provided funds for teacher inservice training in mathematics, science, and foreign languages. In initiating these programs, the justification was that there was a need for Federal action because the entire Nation was affected by inadequate educational achievements of the citizens in any of the States. Some would contend that, as inadequately educated citizens move from one State to another, unemployment and welfare problems typically follow. Others would emphasize that poorly educated persons make a limited contribution to the national economy because they typically earn lower wages and have reduced purchasing power.

Lastly, news reports and analyses suggest that the time for Federal action may have passed, and that the States have begun to address the need for school improvement on their own initiative. For almost three years, considerable national attention has been directed toward various reports calling for the "reform" of elementary and secondary schools. Individual States, such as California, Florida, Illinois, New York, South Carolina, Tennessee, Texas, and others, have enacted school "reform" legislation with several hundred million dollars in new funds for the implementation of "reforms." Actions in these and other States include merit pay and career ladder programs for teachers, higher teacher salaries, higher standards and expectations for students, increased graduation requirements, inservice programs for teachers and administrators, and scholarships for prospective teachers. In addition, higher standards are being used in certifying teachers; recent reports indicate that about 30 States either currently require that teachers pass a competency test before being certified or have plans for such programs. 13/ Even though the school "reform" efforts typically have been directed toward general school improvements, most observers would agree that such activities likely will result in improvement of instruction in science, mathematics, foreign languages, and computer learning.

SOURCES OF ADDITIONAL INFORMATION

U.S. Library of Congress. Congressional Research Service. Comparison of the Achievement of American Elementary and Secondary Pupils with Those Abroad-The Examinations Sponsored by the International Association for the Evaluation of Educational Achievement. CRS White Paper 86-683 EPW. [by] Wayne Riddle. May 2, 1986.

----- Education in America: Reports on its Condition, Recommendations for Change. CRS Issue Brief 83106 [by] James B. Stedman. Updated regularly.

----- Education Reform Reports: Content and Impact. CRS Report No. 86-56 EPW. March 17, 1986. [by] James B. Stedman and K. Forbis Jordan.

----- National Teachers Examination: Background and Issues. CRS White Paper 85-731 S, April 19, 1985. [by] K. Forbis Jordan.

----- Teacher Supply and Demand. CRS White Paper 85-994 S, October 9, 1985. [by] K. Forbis Jordan.

----- Teacher Training and Improvement. CRS Issue Brief 86043 [by] K. Forbis Jordan. Archived.

13/ For additional information, see: Education in America: Reports on its Condition, Recommendations for Change. CRS Issue Brief 83106. [by] James B. Stedman, updated regularly.

XI. INDIAN EDUCATION ACT PROGRAMS

SUMMARY OF PROGRAM PURPOSE AND STRUCTURE

Federal funds for educational programs and services for American Indian children and adults are provided by the Indian Education Act (IEA) administered by the Department of Education (ED). However, this is only one of several Federal programs for the education of Indian children and adults. Educational programs for persons residing on Federal Indian lands also are administered by the Bureau of Indian Affairs (BIA) in the Department of Interior (ID). The BIA operates or funds schools that educate about 40,000 elementary and secondary school children, operates or funds several postsecondary institutions, and provides funds to local educational agencies (LEAs)s with high percentages of Indian children from Indian reservations.

Funds are authorized to be set-aside in most elementary and secondary ED categorical aid programs for the education of Indian children in schools operated by the BIA. Specific programs include education of the disadvantaged (chapter 1 of the Education Consolidation and Improvement Act, Omnibus Budget Reconciliation Act of 1981—P.L. 97-35), part B of the Education of the Handicapped Act--P.L. 94-142, and the Carl D. Perkins Vocational Education Act--P.L. 98-524. Funds also are provided to LEAs, in lieu of local tax receipts under P.L. 81-874 (impact aid), for the education of Indian children who reside on Indian lands and attend public schools. (Additional detail is provided later.)

Indian Education Act (IEA)

Under the IEA, first enacted in 1972, Indian children from tribes, groups or bands "not federally recognized" -- as well as those from "federally recognized" tribes, groups or bands -- who were being educated in the public schools, were made eligible for Federal Indian education aid.

The IEA has four principal components. Part A provides payments through formula grants and competitive grant assistance to LEAs and reservation-based Indian-controlled schools for projects to meet the educational and cultural needs of Indian elementary and secondary school children. The purpose is to improve academic performance, reduce dropout rates, improve attendance, increase Indian parental participation in educational policy-making, and help public schools be more responsive to the needs of Indian children.

Part B, "special programs" for Indian students, provides competitive grants to State educational agencies (SEAs), LEAs, federally supported elementary and secondary schools, and Indian tribes, organizations, and institutions to improve the quality of educational programs for Indians. Within part B, specific activities are authorized to develop and carry out elementary and secondary school programs specially designed to meet the special educational and culturally related academic needs of Indian school children. The authorized activities include: competitive grants for planning, pilot, and demonstration projects; educational service projects; educational personnel development projects; resource and evaluation centers; education career training projects; and postsecondary fellowships.

Part C, "special programs" for Indian adults, provides competitive grants to Indian tribes, institutions, and organizations for: (1) planning, pilot, and demonstration projects to test and demonstrate innovative approaches to adult education that have been specifically designed for Indian adults; and

(2) educational services projects to increase educational opportunities for Indian adults. Projects focus on development of literacy and basic skills, preparation for the high school equivalency examination, consumer education information, and provision of special services to facilitate employment.

Part D for program administration is the authorization for the National Advisory Council on Indian Education and the Office of Indian Education in ED.

Since FY 1976, ED has been providing aid for Indian postsecondary education students through the Indian Fellowship component of part B of the IEA. The fellowships are primarily at the graduate level.

Other ED Programs for Indian School Children

In addition to the IEA programs, ED also allocated to BIA about $33 million in FY 1986 for compensatory education and education of the handicapped programs. Under chapter 1 of the **Education Consolidation and Improvement Act of 1981**, (formerly title I of the **Elementary and Secondary Education Act of 1965** (P.L. 89-10), 1 percent of the basic grant funds is for programs for educationally disadvantaged students attending schools in the Outlying Areas and those operated by BIA. The FY 1986 allocation to BIA for education of the disadvantaged was $23 million for programs and services to about 19,000 Indian students.

Up to 1 percent of the State grant funds under part B of the **Education of the Handicapped Act** (P.L. 94-142) may be allocated for programs in BIA schools. The FY 1986 allocation to BIA for education of the handicapped was $10 million for programs and services to about 5,200 Indian students.

Additional ED funding is provided for LEAs with Indian children living on reservations and attending public schools through "impact aid" programs under

P.L. 81-874. FY 1986 funding for this program was an estimated $214 million for about 100,000 Indian students.

Special funding also is available for vocational education programs to serve Indian children and adults through the **Carl D. Perkins Vocational Education Act** (P.L. 98-524). The Act provides that 1.25 percent of the basic State grant funds may be used to fund grants and contracts for programs conducted by tribal groups and the BIA; however, the BIA is required, as a condition of funding, to match equally (from Department of Interior funds) the ED funds for the costs of such programs. Since required BIA matching of ED appropriations for the vocational education Indian set-aside provision first became effective in FY 1979, the Department of Interior budget has not provided the "matching" funds. The result is that the ED vocational education funds have not been available for BIA programs to serve Indian children and adults.

BRIEF LEGISLATIVE HISTORY

The **Indian Education Act** was originally authorized under the **Education Amendments of 1972** (P.L. 92-318), enacted June 23, 1972. This new legislation had four parts. Part A was entitled the **Indian Elementary and Secondary School Assistance Act**, and was an amendment to **P.L. 81-874** (impact aid). Part B was an amendment to title X of the **Elementary and Secondary Education Act** (P.L. 89-10, as amended). Part C was an amendment to the **Adult Education Act** (P.L. 89-750). Part D was not an amendment to any other legislation and authorized the creation of the Office of Indian Education and the National Advisory Council on Indian Education.

The provisions related to training programs and fellowships for eligible Indians were authorized later as an amendment to IEA part B under the **Education Amendments of 1974** (P.L. 93-380).

Separate authorizations are provided for each of the IEA's four parts. Authorizations for part A are calculated on the basis of the number of eligible students multiplied by the average per pupil expenditure in the State. Authorizations for part B were $25 million for FY 1973, $35 million for FY 1974 through FY 1976, $37 million for FY 1977 and 1978, $45 million for FY 1979 and FY 1980, $37 million for FY 1981 through FY 1986, and an amount not to exceed the FY 1986 appropriation for FY 1987 through FY 1989. In addition to the authorization for part B, up to 200 new fellowships may be awarded each year; the authorization for the fellowships was $2 million for FY 1985 through FY 1986, and an amount not to exceed the FY 1986 appropriation for FY 1987 through FY 1989. The part C authorization was $5 million for FY 1973, and has been $8 million for each of the succeeding fiscal years until FY 1987, at which time the authorization became an amount not to exceed the FY 1986 appropriation. The authorization for part D is such sums as necessary.

The **Education Amendments of 1977** (P.L. 95-112) extended the IEA authorizations until October 1, 1979. **P.L. 96-46** defined the term "Indian" and stipulated the criteria to be used in determining a child's eligibility to participate in IEA programs.

The **Education Amendments of 1978** (P.L. 95-561), enacted November 1, 1978, contain provisions related to funding, operation, and educational standards for BIA operated and funded schools for Indian children residing on Indian reservations. The IEA was reauthorized through FY 1983, and culturally related academic needs were added to the authorized uses of IEA part A funds. Provisions were made for setaside funds, not in excess of 10 percent of the part A funds, for national demonstration projects. Technical changes were made to expand the criteria for persons eligible to serve on parent advisory committees, to clarify the definition of tribal schools, to provide for a study of the definition of eligible Indian child, and to clarify provisions concerning the length of assistance and the types of eligible programs in the teacher training and fellowship programs.

The Education Amendments of 1984 (P.L. 98-511) contained five amendments to the IEA. The Secretary of Education was granted authorization to fund bilingual education programs for Indian children. The formula used in calculating funds to be distributed under IEA part A was modified to provide for the recognition of both the number of eligible Indian children and the average per pupil expenditure in the calculation of the LEA's payment. Another amendment excluded LEAs serving Indian children in California, Oklahoma, or Alaska from the minimum enrollment requirements for part A funds. The fellowship program was amended to add psychology to the approved areas of study and to authorize the awarding of vacated fellowships to other recipients. IEA authorizations were extended through FY 1989.

P.L. 99-228, enacted December 28, 1985, clarified the requirements that were to be used in determining if a student was eligible for funding in the BIA and contract schools.

ALLOCATION FORMULA AND PROCESS

Funds for the IEA are appropriated in four separate parts. Part A funds are allocated on a formula basis to LEAs that enroll at least 10 Indian children, or in which Indian children constitute at least 50 percent of the total enrollment. These limitations do not apply to LEAs located in Alaska, California, or Oklahoma, or located on, or in proximity to, an Indian reservation. Each LEA with an approved application is to receive funds in proportion to the ratio that the product of the LEA's number of eligible Indian children multiplied by the applicant's average per pupil expenditure bears to the sum of such products for all eligible LEAs.

No more than 10 percent of the part A funds may be allocated on a formula basis to other schools that are operated by a tribe or an Indian organization, and either are a contract school with the Bureau of Indian Affairs or meet BIA standards. Also, no more than 10 percent of the IEA part A funds may be used by the Secretary of Education to make grants to LEAs to support demonstration projects that are designed to plan for and improve educational opportunities for Indian children.

Part B funds are distributed through competitive discretionary grants by the Secretary of Education to State educational agencies (SEAs), LEAs, federally supported elementary and secondary schools, and Indian tribes, organizations, and institutions. Such grants are submitted to, and approved by, the Secretary of Education. In addition, the Secretary is authorized to award fellowships for graduate and professional studies in the authorized fields to eligible Indian students.

Part C funds are distributed through competitive discretionary grants to Indian tribes, institutions, and organizations for programs to improve educational opportunities for Indian adults.

Part D funds are for the operation of the National Advisory Council on Indian Education and program administration and staffing costs in the Office of Indian Education. The IEA is funded through appropriations for the Department of Interior, and IEA program administration funds for salary and expenses are included in the part D appropriations for this program.

PROGRAM FUNDING HISTORY

IEA programs are funded through the annual appropriations for the Department of Interior, but they are administered by the Department of Education. Appropriations levels for each part in the ED IEA programs since FY 1973 are indicated in table 1.

TABLE 1. Appropriations for Indian Education Act a/
(in millions of dollars)

Year	Part A	Part B	Part C	Part D	Total b/
FY 1973	11.5	5.0	0.5	1.0	18.0
FY 1974	25.0	12.0	3.0	1.8	41.8
FY 1975	25.0	12.0	3.0	2.0	42.0
FY 1976	35.0	16.0	4.0	2.1	57.1
FY 1977	37.0	14.1	4.2	1.9	57.2
FY 1978	38.9	14.4	4.4	2.1	59.7
FY 1979	48.0	15.5	5.9	2.3	71.7
FY 1980	52.0	15.6	5.8	2.5	75.9
FY 1981	58.3	14.5	5.4	3.5	81.7
FY 1982	55.0	14.9	5.2	2.8	77.9
FY 1983	48.5	12.6	5.5	2.6	69.2
FY 1984	50.9	12.0	3.0	2.9	68.8
FY 1985	50.3	11.8	2.9	2.4	67.4
FY 1986	47.9	11.3	2.8	2.2	64.2
FY 1987	47.2	11.6	3.0	2.3	64.1

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a/ Source for appropriations amounts is annual budget tables from the Department of Education and the prior Office of Education.

b/ Sub-items may not agree with total because of rounding.

As shown in table 1, appropriations (in current dollars) for each part of the IEA tended to increase between FY 1973 and FY 1981, but the total (in current dollars) has declined since FY 1981. (See figure 1.) Funds in current dollars for part A increased during only one fiscal year after FY 1981, but declined from a high of $58.3 million in FY 1981 to $47.2 million in FY 1987. Slight increases were provided for parts B, C, and D in the FY 1987 appropriations, but the total appropriations declined slightly between FY 1986 and FY 1987.

Data in the following table and graph indicate the total funds for the IEA in current and constant dollars for each fiscal year from FY 1973 through FY 1987. During the 15 years in which funds have been appropriated for the IEA, funding in constant dollars has increased in only 3 fiscal years. Since FY 1979, funding in constant dollars has declined each year, ranging from a 1.5 percent reduction in FY 1981, compared to the FY 1980 level, to a 17.2 percent reduction in FY 1983, compared to the FY 1982 level.

PARTICIPATION LEVEL AND TRENDS 1/

IEA funds are distributed by the Secretary of Education to LEAs, tribally controlled schools, and Indian youth and adults. All Indian youth and adults will not participate in the various programs. To receive funds, LEAs and tribal schools must meet specific eligibility criteria and submit an application to be approved by the Secretary before they receive their formula-based IEA part A funds, and only certain institutions or groups are eligible to apply for the competitive discretionary funds under parts B and C. Recipients of fellowships must meet certain criteria and agree to study in specific fields.

Participation in IEA part A programs has increased over the period of time that the program has been authorized. In FY 1973, 435 IEA part A grants were

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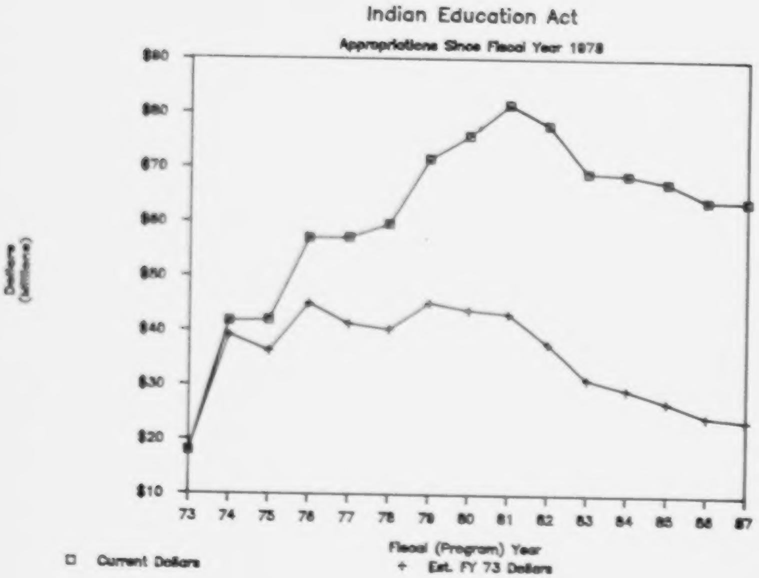
1/ Unless indicated otherwise, the information in this section has been summarized from various Annual Evaluation Reports from the Office of Planning, Budget, and Evaluation in the Department of Education.

The Indian Education Act: Appropriations History For Fiscal Years 1973-1987, In Current And Constant Dollars, But In Terms Of Appropriations (Budget Authority) Only

Fiscal Year	Indian Education Act Appropriation (in thousands of current dollars)	Percentage Change From Previous Year (current dollars)	Percentage Change From Previous Year (constant dollars)
1973	$18,000		
1974	$41,800	132.2%	118.0%
1975	$42,000	0.5%	-7.4%
1976	$57,100	36.0%	24.0%
1977	$57,200	0.2%	-8.2%
1978	$59,700	4.4%	-2.5%
1979	$71,700	20.1%	12.1%
1980	$75,900	5.9%	-3.0%
1981	$81,700	7.6%	-1.5%
1982	$77,900	-4.7%	-12.5%
1983	$69,200	-11.2%	-17.2%
1984	$68,800	-0.6%	-6.0%
1985	$67,400	-2.0%	-7.8%
1986	$64,200	-4.7%	-9.3%
1987	$64,100	-0.2%	-3.0%
Net change, 1973 to 1987		256.1%	32.7%

Note: The price index used is the (fixed-weight) deflator for State and local government purchases of services, received from the Bureau of Economic Analysis, Department of Commerce, on Aug. 19, 1986. For fiscal year 1986, the index is based on data for the first 3 quarters of the year only. Also, for fiscal years 1987 and 1988, price index numbers are estimated on the basis of Congressional Budget Office projections of the rate of increase in the overall Gross National Product deflator (published in Aug. 1986).


Indian Education Act
Appropriations Since Fiscal Year 1973
$90
$80
$70
$60
$50
$40
$30
$20
$10
Dollars (Millions)
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
Fiscal (Program) Year
□ Current Dollars
+ Est. FY 73 Dollars

made to serve about 140,000 Indian students, with an average grant of about $81 per student. In FY 1981, the number of grants was 1,048, to serve approximately 290,000 Indian students, with an average grant of about $165 per student. In FY 1983, the 1,083 grants totalled about $44 million serving about 305,000 Indian students. An additional $4.4 million went to 35 Indian-controlled schools serving about 7,500 students. In FY 1985, under IEA part A, about 1,100 grants totalling almost $46 million were made to LEAs and BIA schools serving about 330,000 Indian students, with an average grant per student of $139. An additional $4.4 million was allocated to 34 Indian-controlled schools serving about 5,300 students, with an average grant per student of $832.

For the past several years, the number of IEA part B programs has remained relatively constant. In FY 1981, part B funded 70 discretionary grants and 5 technical resource centers. In FY 1984, continuation awards were made to 56 grantees serving about 9,900 students and over 650 trainees. FY 1985 funds were used to support 71 discretionary grants consisting of 32 educational service projects; 24 planning, pilot, and demonstration projects; and 15 educational personnel development projects. In addition, part B funded 5 resource and evaluation centers in FY 1985. During the 1984-85 school year, staff members in these latter centers conducted 190 workshops and made about 570 site visits to provide technical assistance to IEA grantees.

The number of IEA part B fellowships has remained at about 200 for the past few years. In FY 1981, 196 part B fellowships were awarded to students studying in the areas of medicine, law, education, business administration, engineering, and natural resources. In FY 1984, of the 568 applicants for the part B Indian fellowship component of the IEA, 227 students received fellowships, which averaged $6,339 per award. In FY 1985, from an application pool of 825, 212 students received average awards of $6,429.

IEA part C activities have been curtailed during the past few years. As indicated earlier, funding for the part C has declined since FY 1981. Funds under IEA part C are authorized to serve the educational needs of Indian adults. In FY 1981, 49 projects were funded to serve over 15,000 Indian adults. With part C funds in FY 1984, 47 educational service project grant recipients provided services and programs for more than 4,350 Indian adults.

SYNTHESIS OF EVALUATION FINDINGS [2]

In this section, findings from IEA program evaluations will be discussed for each part of the IEA. The consensus appears to be that the IEA has resulted in improvements for the education of Indian children and adults.

ED evaluation reports on IEA part A programs indicate that the focus of the programs was on academic skills and cultural enrichment programs. The findings of a 1983 evaluation report [3] were as follows:

1. Tutorial services were provided in many of the programs.
2. The most successful programs were those designed to improve attendance, increase parental participation, reduce dropout rates, and improve academic skills.
3. Significant increases were reported for the scores of Indian students on locally administered achievement tests between 1972 and 1982, but the scores still were slightly below the average scores for the non-Indian students in the LEAs that receive funds under IEA part A.

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[2] Unless indicated otherwise, the information in this section has been summarized from various Annual Evaluation Reports from the Office of Planning, Budget, and Evaluation in the Department of Education.

[3] The Evaluation of the Impact of the Part A Entitlement Program Funded Under Title IV, the Indian Education Act. (Arlington, Virginia) Development Associates. July 1983.

4. With respect to student attendance, Indian student attendance records were reported as being at the national norm. (However, improvement of Indian student attendance still was a primary objective in many local projects.)
5. Parental involvement was being achieved through parent committees that made recommendations to local school officials; however, some tribal leaders had negative comments about the projects, staff, or program content.
6. School administrators reported that parental involvement had resulted in modest changes in classroom curricula and teaching practices.

The 1985 ED Annual Evaluation Report indicated that difficulties had been encountered in maintaining files to certify the eligibility of Indian students to participate in the programs. 4/

IEA part B programs include funded demonstration centers, educational services, personnel development projects, and fellowship programs. ED Annual Evaluation Reports for FY 1985 and FY 1984 indicated that no information was available on program effectiveness. FY 1985 part A funds were used for educational service centers; planning, pilot, and demonstration centers; and educational personnel development centers. ED's Annual Evaluation Reports indicated that the projects had provided the following types of direct assistance to students: tutoring, early childhood education, guidance and counseling, remedial basic skills, dropout prevention, and career education.

The most recent evaluation of part B activities was completed in 1981. 5/ The general findings of this evaluation are as follows:

1. Overall, the programs were perceived to be promoting

4/ Report to the Congress on the Annual Program Site Reviews for Fiscal Year 1984 Funds (School Year 1984-85). Department of Education. October 21, 1985.

5/ Impact of Parts B and C of the Indian Education Act. Communications Technology Corporation. 1981.

the ability of Indians to become educated and productive citizens and to exercise leadership in the Indian community.

2. Planning, pilot, and demonstration centers were perceived to have been successful in terms of activities and number of students served.
3. LEA project staff members reported satisfaction with the services provided by the part B resource and evaluation centers.
4. Early childhood education, career development, and curriculum development have been reported as having the greatest impact, but special education and counseling programs still had priority among the applicants.

In a 1981 survey of the part B fellowship recipients, completion rates were considerably higher than for all Indian undergraduates, and the employment rate for program-completers was very high. About 60 percent of the respondents were working with Indian tribes, organizations, and communities. 6/

ED Annual Evaluation Reports indicate that programs funded under part C programs for Indian adults have made some progress in raising the percentage of Indians from 20 to 24 years of age who have completed high school, but the educational needs of Indian adults were still considered to be high. The primary purpose of part C projects has been to raise the educational level of participants so that their chances of obtaining employment are improved. A recent study indicated that: (1) duplication of services between this program and BIA or other programs was not evident; (2) preference should be given to applications that address the needs of previously unserved groups; and (3) ED's monitoring and technical assistance efforts should be strengthened. 7/

6/ Study to Track Participants in the Higher Education Programs Funded by the Office of Education. Native American Research Associates. 1981.

7/ An Evaluation of the Indian Education Act, Title IV, Part C: Education for Indian Adults. (Washington) Pelavin Associates. 1985.

ADDITIONAL PROGRAM BACKGROUND INFORMATION AND ISSUES

The principal issue related to Indian education programs is what *should be* the role of the Federal Government in providing education for Indian children and adults. For example, to what extent does the Federal Government have responsibilities to Indian youth that are greater then its responsibilities to non-Indian youth? Under the *trust responsibility* for resources and property and through treaties, the Federal Government has accepted responsibility for the education of Indian people. After over 100 years of a *paternalistic role* in the methods used to provide programs and services for Indian people, the adoption of a policy of *self-determination* under President Nixon, and its reaffirmation under President Reagan, represents a change in Federal policy and suggests that Indian people will have the opportunity and the freedom to make, and implement, decisions affecting their current and future lives.

Related issues concerning Indian education include the following:

1. What criteria should be used to determine a student's eligibility for activities funded by the IEA?
2. What role should parents and tribal groups have in making policy decisions about Indian education?
3. How many Federal agencies should fund Indian education programs?

Eligibility Criteria for Student Participation in IEA

LEA administrators with IEA grants have expressed concern about: (1) the restrictive effect of requirements used by ED to determine student eligibility to participate in IEA programs; and (2) the perceived lack of consistency in ED policies for determining student eligibility. Eligibility is restricted to those Indian students who have an *enrollment number* from an Indian tribe, whose parents or grandparents have an enrollment number, or who have a certificate of

Indian blood or membership from a tribe, band, or other organized group of Indians. Implementation of the new ED regulations was delayed until FY 1987 following passage of H. Con. Res. 276 in the 99th Congress.

On June 16, 1986, LEA personnel contended in hearings before the Education and Labor Committee in the 99th Congress that the current procedures for determining student eligibility for IEA programs are too cumbersome. The contention was that needy Indian youth often are denied services because they are unable to prove technical eligibility because of the lack of access to tribal records or inadequate family information. In responding to the proposed regulations, LEA personnel recommended that criteria for eligibility be expanded to include other documents such as Indian Health Service records, adoption papers, birth records, and notarized letters from tribal authorities. LEA personnel also contended that the lack of consistency in the definition and application of eligibility criteria reportedly has delayed implementation of programs and services to Indian students in some LEAs.

Role of Indian Parents in Policy Decisions

IEA programs have provisions that require involvement of the parents of Indian children in program planning decisions about the use of program funds. One difficulty with parental involvement in any educational program is that school staff and parents often do not have a mutual understanding of the advisory role that parents are to assume. Presumably, the principal goal is to provide opportunities for communication among parents, program staff, and local school officials. In some instances, efforts have been made to involve parents in three stages: program planning, program implementation, and program evaluation. Careful planning and delineation of the roles for parents appear to be needed to minimize any conflicts that potentially can arise in any type of power-sharing arrangement in which parents have pre-approval or veto power over policy, program, or budgetary decisions that fall within the legal responsibilities and prerogatives of the local school board.

The issue is the amount of authority that Indian parent groups should have in determining the types of programs to be provided by LEAs. Under IEA part A, a committee composed of, and selected by, parents of Indian children in the program for which assistance is sought has to be consulted and must give its written approval to programs or projects. The issue then becomes the extent to which the parent group should have further authority over the use of these funds by an LEA. The general issue is not unique with the IEA, but relates to parental participation in any federally assisted education program.

Duplicate Sources of Funding for Indian Education Programs

Another issue is whether the BIA and ED should fund Indian education programs. BIA funds are provided for: (1) Indian children in elementary and secondary education programs in BIA-operated schools; (2) supplemental education programs to serve Indian children in LEAs; (3) programs for students in tribally controlled community colleges; and (4) grants to postsecondary education students.

Funding through ED is provided in four ways: (1) categorical funding for Indian students in public schools; (2) fellowships to postsecondary education students (primarily graduate students); (3) impact aid student-based funding to LEAs for Indian students residing on Indian lands; and (4) set-aside funding to the BIA through legislative provisions in certain ED categorical programs.

The concerns include: (1) whether the educational problems of Indian children, and the trust responsibilities of the Federal Government, are sufficient to justify special categorical funding (i.e., IEA) for programs to serve Indian children who no longer reside on Indian lands, even though these children have access to all public school programs, including federally funded programs; (2) whether duplicate funding is provided for those Indian students covered under a cooperative agreement between an LEA and the BIA for the education of Indian children when ED makes impact aid payments to an LEA for a student, and BIA makes ISEP payments for the *same student* 8/; and (3) whether set-aside funding for Indian children in BIA schools should be provided in ED programs for special populations, or whether BIA appropriations should be sufficient to provide the needed programs.

SOURCES OF ADDITIONAL INFORMATION

U.S. Library of Congress. Congressional Research Service. Analysis of American Indian Affairs: background, nature, history, current issues, and future trends, by Richard S. Jones. [Washington]. 87 p. (Report no. 84-55 GOV)

----- Federal Indian education programs [by] K. Forbis Jordan. [Washington]. (Issue brief 87106)
Regularly updated.

8/ Proposed regulations were issued on May 16, 1986, that would result in changes in payment procedures for impact aid funds under P.L. 81-874 to school receiving both BIA ISEP funds and impact aid funds [Federal Register, May 14, 1986. p. 17720-17723]. P.L. 99-349 requires that implementation of the regulations be delayed until FY 1987.

XII. THE EMERGENCY IMMIGRANT EDUCATION ACT

SUMMARY OF PROGRAM PURPOSE AND STRUCTURE

The Emergency Immigrant Education Act, title VI of the Education Amendments of 1984 (P.L. 98-511), provides financial assistance through State formula grants to local school districts enrolling substantial numbers of recent immigrant students. Awards, based on the numbers of immigrant children, help finance educational services for these students. Participation is limited to local school districts with at least 500 immigrant students or where such students represent at least 3 percent of the total elementary and secondary school enrollment. Emergency immigrant education funds are channeled through State education agencies (SEAs), which then make grants to eligible local school districts in their States based upon the numbers of immigrant students enrolled in these school districts times $500 per immigrant child. Up to 1.5 percent of each State's grant is available to the SEA for administrative costs.

The term, "immigrant children," is defined as children not born in the U.S. and who have been attending schools in the U.S. for less than 3 complete years. The term, "immigrant children," excludes the children of U.S. citizens born abroad, and the children of persons temporarily residing in the U.S. Although refugee and entrant children are eligible for assistance under the Emergency Immigrant Education Act, awards under the Act are reduced by any amounts made available to States and localities under other Federal assistance programs that provide educational services to immigrant children because of refugee, parolee, asylee, or other immigration status (e.g., the Transitional Program for Refugee Children authorized under the Refugee Act of 1980 and the Refugee Educational Assistance Act of 1980). 1/

Grants awarded to local school districts under the Emergency Immigrant Education Act may be used for any costs "directly attributable to the presence in the school districts of immigrant children." Such costs include: (1) basic educational costs, such as instructional materials and transportation; (2) school construction or the rental of classroom space; (3) related educational services and special materials, such as a bilingual education program; and (4) essential in-service training for instructional personnel.

To make awards in a given fiscal year, the Secretary of Education requires SEAs to submit a count of the number of immigrant children, taken at any time during the school year that coincides with the fiscal year of the award. In establishing eligibility for assistance under the Emergency Immigrant Education Act, SEAs may rely on credible information from any source, including information obtained from previous school records and information obtained from the child or the child's parents/guardian. SEAs are not required to provide documentary proof of either the child's eligibility or civil (i.e., immigration or citizenship) status from the child or the child's parent or guardian.

The Office of Bilingual Education and Minority Languages Affairs in the U.S. Department of Education (ED) administers the emergency immigrant education program. According to ED, in FY 1986, grants totaling about $28,710,000 were

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1/ For a discussion of these other Federal assistance programs and their respective target populations, see Vialet, Joyce C. Refugee Assistance Reauthorization: Admissions and Resettlement Issues. CRS Issue Brief IB83060. Washington. Updated regularly.

awarded under the program to 32 States, providing financial assistance for 416 school districts enrolling substantial numbers of immigrant students.

A BRIEF LEGISLATIVE HISTORY

Although there is an emergency immigrant education program currently authorized by P.L. 98-511, the Education Amendments of 1984, for fiscal years 1985 through 1989, the program was first funded and authorized for fiscal year 1984 only under a continuing appropriations act. The following description of the early legislative proposals on emergency immigrant education assistance is essential to understanding a question that ultimately arose over whether this program had actually been authorized by Congress for fiscal year 1984. Essentially, funds for this program were appropriated for fiscal year 1984 under P.L. 98-151, the continuing appropriations resolution for fiscal year 1984, which referenced title V of H.R. 3520. H.R. 3520 was known as the Rehabilitation Act Amendments of 1984, and title V of the bill authorized emergency immigrant education assistance. The relevant section of P.L. 98-151, which was passed before final action could be taken on H.R. 3520, follows:

> (g) Notwithstanding any other provision of this joint resolution, the following amounts are hereby made available, in addition to funds otherwise available, for the following purposes:
>
> * * * * *
>
> GRANTS TO SCHOOLS WITH SUBSTANTIAL NUMBERS OF IMMIGRANTS
>
> For carrying out emergency immigrant education assistance under title V of H.R. 3520 as passed the House of Representatives September 13, 1983, $30,000,000.
>
> 97 Stat. 964, 973.

The enacted version of the Rehabilitation Act Amendments of 1984, S. 1340, did not include title V of H.R. 3520. Thus an appropriation was provided for fiscal year 1984 for an emergency immigrant education program that was authorized by Congress through a continuing appropriations resolution. Because an emergency immigrant education program was not authorized under S. 1340, as enacted, the Reagan Administration claimed that the fiscal year 1984 appropriation did not constitute legally available budget authority for an emergency immigrant education program, and decided not to make the funds available in fiscal year 1984. The Administration's decision caused a group of congressmen to request an opinion from the General Accounting Office (GAO) regarding the legality of the Administration's action. The following discussion concerning these issues is presented in two separate subsections: Authorization and The Funding Conflict.

Authorization

On July 12, 1983, Representative Austin J. Murphy of Pennsylvania introduced H.R. 3520, the Rehabilitation Act Amendments of 1984, which was referred to the Committee on Education and Labor. The Committee reported H.R. 3520 (H.Rept. 98-298), amended, on July 19, 1983; however, this bill authorizing immigrant education assistance under title V, among other programs, was laid on the table in the House on September 13, 1983, and S. 1340 was passed, amended, in lieu thereof.

S. 1340 was introduced by Senator Orrin G. Hatch of Utah on May 23, 1983, and referred to the Committee on Labor and Human Resources. The Senate-passed version of S. 1340 did not contain provisions for an emergency immigrant education program. When S. 1340 was considered in the House, it was amended to include provisions for an emergency immigrant education program identical to those included in H.R. 3520. However, the conference version of S. 1340, as subsequently reported by the conference committee (H.Rept. 98-595), did not include provisions for an emergency immigrant education program. Thus, the conference agreement on S. 1340, as passed by the House and Senate, contained no authorizing language for this program.

The Funding Conflict

While Congress was considering H.R. 3520/S. 1340, it passed a continuing appropriations resolution for fiscal year 1984, P.L. 98-151. This resolution provided an authorization and an appropriation for fiscal year 1984 for an emergency immigrant education program. However, the Reagan Administration argued that because title V (provisions for an emergency immigrant education program) was omitted from S. 1340, as subsequently enacted, P.L. 98-221, there was no specific authorizing legislation for this program.

The Reagan Administration, in its FY 1985 budget request, stated that Congress had not authorized funds for the emergency immigrant education program. The Administration argued that the fiscal year 1984 continuing appropriations resolution made reference to an authorization provision that was passed by the House but not by the Senate, although both chambers passed the continuing appropriations resolution. Consequently, the Administration decided not to make the funds appropriated for the emergency immigrant education program available in fiscal year 1984. As discussed below, the U.S. Comptroller General found that there was no indication that Congress, by omitting title V in the enacted version of S. 1340, intended by implication to repeal the appropriation for the emergency immigrant education program provided in the continuing appropriations resolution.

In his report to Congress (H. Doc. 98-188), dated March 23, 1984, the U.S. Comptroller General stated that the U.S. Supreme Court has ruled that "repeal by implication is disfavored, and is justified in only two circumstances: (1) where there is an affirmative showing of intent to repeal; or (2) where the earlier and later statutes are irreconcilable (*Tennessee Valley Authority v. Hill*, 437 U.S. 153, 190; 1978)." 2/ The conference version of S. 1340 (H. Rept. 98-595) does not contain any discussion indicating that Congress intended to repeal the appropriation established by the 1984 continuing resolution. Further, the continuing resolution and the authorizing legislation were found by the Comptroller General to be reconcilable. 3/ The U.S. Comptroller General ruled that continuing resolutions commonly provide funding by reference to bills not yet enacted. 4/ Additionally, the Comptroller General stated that the lack of specific authorizing legislation for the program, other than the provision in the continuing resolution itself, did not mean that the $30 million provided in the continuing resolution was unavailable for obligation for the immigrant education program.

Because of the funding conflict discussed above, the Department of Education did not obligate these funds until late in fiscal year 1984. No specific regulations were issued by the Department for the FY 1984 emergency immigrant education program. Consequently, the program was governed by, and funds were distributed under, the provisions of title V of H.R. 3520, as passed the House (made applicable by P.L. 98-151), the General Education Provisions Act (GEPA), and the Education Department General Administrative Regulations (EDGAR).

The FY 1984 Emergency Immigrant Education Program

The FY 1984 continuing appropriations resolution (P.L. 98-151) made $30 million available under title V of H.R. 3520, as passed by the House, for

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2/ The Comptroller General of the United States. Rescission Proposal. Communication 2985. Washington, U.S. Govt. Print. Off., 1984. p. 5.

3/ Ibid., p. 5-6.

4/ Ibid., p. 2-3.

"carrying out emergency immigrant education assistance." Immigrant children were defined under title V of H.R. 3520 as children not born in a State who had been attending school in any State for less than 3 academic years. The title established a State formula grant program based upon the number of eligible immigrant children times $500 per child. To qualify for emergency immigrant education assistance, school districts had to have 500 immigrant students or have 5 percent of their total student enrollment comprised of immigrant children, whichever was less. Under the program, SEAs applied for State grants and then made grants based upon the number of eligible immigrant children times $500 per child to the local school districts in their States that met the eligibility criteria for the program.

Emergency Immigrant Education Act of 1984

Title VI of the Education Amendments of 1984, P.L. 98-511, also cited as the "Emergency Immigrant Education Act of 1984," authorized appropriations for emergency immigrant education assistance of $30 million for fiscal year 1985 and $40 million for each of fiscal years 1986 through 1989. The program authorized under P.L. 98-511 is identical to that enacted under P.L. 98-151 with one exception: the eligibility criteria for local school districts to qualify for emergency immigrant education assistance were lowered to 500 immigrant students or 3 percent of the district's total student enrollment, whichever number is less (compared to the 5-percent threshold enacted for fiscal year 1984.)

ALLOCATION FORMULA AND PROCESS

The Emergency Immigrant Education Act authorizes a State formula grant program, based upon the number of immigrant children, to aid States and localities in providing educational and related services for immigrant students. The program provides grants to local school districts enrolling at least 500 recent immigrant students or having at least 3 percent of their total student enrollment comprised of immigrant children. Funds under this program are allocated to applicant SEAs, which then distribute the funds in the form of direct grants to eligible local school districts based upon their respective number of immigrant students times $500 per immigrant child.

Grants to SEAs for emergency immigrant education are reduced by the amount of funds made available to the SEAs under other Federal programs that have the same purpose as the emergency immigrant education program. The regulations for implementing the emergency immigrant education program specify the other Federal programs that have the same purpose as the emergency immigrant education program: (1) programs implementing section 412(d) of the Refugee Act of 1980, as amended, 8 U.S.C. 1522; and (2) programs implementing the Refugee Education Assistance Act of 1980, as amended, 8 U.S.C. 1522 (note).

To make awards in a given fiscal year, the Secretary of Education requires an SEA to submit a count of the number of immigrant children, taken at any time during the school year that coincides with that fiscal year. Since appropriations for the emergency immigrant education program have been insufficient to make payments in full to all eligible States, each State's allocation has been ratably reduced to bring it within the appropriated amount.

The program is current funded--that is, funds are obligated to States and local school districts during the same year as that for which they are appropriated. However, funds appropriated and awarded in one fiscal year are generally used by local school districts to support educational activities carried out in the following fiscal year.

If the Secretary of Education determines, after providing reasonable notice and opportunity for a hearing to an SEA, that the SEA has failed to meet the requirements of the program, the Secretary may terminate further payments under the program to the SEA or request that the SEA terminate payments to specific LEAs that fail to meet program requirements. The Secretary may also reallocate to other States any amount of a grant made to a State that will not be used by that State for carrying out the purposes of the program.

PROGRAM FUNDING HISTORY

The following table presents the appropriations for the emergency immigrant education program since its enactment.

TABLE 1. Appropriations History for the Emergency Immigrant Education Act for Fiscal Years 1984 through 1987

Fiscal Year	Appropriations
1984	$30,000,000
1985	30,000,000
1986	28,710,000
1987	30,000,000

Source: Various budget documents prepared by the U.S. Department of Education.

PARTICIPATION LEVEL AND TRENDS

Since its inception in 1984, the emergency immigrant education program has remained relatively stable in the annual amounts made available to States;

however, the number of applicant SEAs and the numbers of immigrant students served by the program have increased.

According to the Office of Bilingual Education and Minority Languages Affairs, the office that administers this program in the U.S. Department of Education, 28 States applied for and received grants to serve 277,300 immigrant children under the program for the school year 1984-1985 (FY 1984 appropriation). The States receiving the largest emergency immigrant education grants in FY 1984 were California, Texas, New York and Illinois. The number of immigrant children eligible to receive assistance under this program in FY 1984 was estimated to be almost 350,000.

In FY 1985, 32 States applied for and received emergency immigrant education grants providing financial assistance to 416 local school districts serving 422,549 immigrant students. More than 40 percent of the immigrant children receiving services under the program resided in California, while New York, Texas, Illinois, Florida, and Massachusetts (in that order) had the next largest numbers of participants.

In FY 1986, 31 States applied for and received grants under the emergency immigrant education program to serve a reported 436,612 immigrant children. The five States receiving the largest emergency immigrant education grants in FY 1986 were California ($13,907,530), Florida ($1,052,556), Illinois ($1,375,990), New York ($3,513,880), and Texas ($2,854,066).

The following table presents the FY 1986 distribution of emergency immigrant education funds by State, as well as the reported number of immigrant children served under the program by each participating State.

TABLE 2. Distribution of Funds and Number of Immigrant Children Reported Under the Emergency Immigrant Education Program for FY 1986, by State

State	Children reported	Amount of award	Comment
Alabama		$	Did not apply
Alaska			Did not apply
Arizona	4,940	337,717	
Arkansas			Did not apply
California	208,911	13,907,530	
Colorado	3,030	201,741	
Connecticut	2,328	152,060	
Delaware			Did not apply
District of Columbia	3,659	248,393	
Florida	17,730	1,052,556	
Georgia	1,425	87,664	
Hawaii	3,797	258,236	
Idaho			Did not apply
Illinois	20,905	1,375,990	
Indiana			Did not apply
Iowa	517	26,476	
Kansas	1,693	77,337	
Kentucky			Did not apply
Louisiana	2,776	162,594	
Maine			Did not apply
Maryland	6,659	447,157	
Massachusetts	10,631	619,888	
Michigan	2,973	188,569	
Minnesota	2,964	170,882	
Mississippi	814	49,338	
Missouri	887	50,281	
Montana			Did not apply

(continued)

TABLE 2. Distribution of Funds and Number of Immigrant Children Reported Under the Emergency Immigrant Education Program for FY 1986, by State
(continued)

State	Children reported	Amount of award	Comment
Nebraska			Did not apply
Nevada			Did not apply
New Hampshire			Did not apply
New Jersey	11,259	765,959	
New Mexico	2,869	197,806	
New York	51,392	3,313,880	
North Carolina			Did not apply
North Dakota			Did not apply
Ohio	6,014	369,882	
Oklahoma			Did not apply
Oregon	1,171	68,394	
Pennsylvania			Did not apply
Rhode Island	3,400	184,954	
South Carolina			Did not apply
South Dakota			Did not apply
Tennessee	1,649	93,428	
Texas	42,517	2,854,066	
Utah	2,029	129,359	
Vermont			Did not apply
Virginia	8,460	537,689	
Washington	6,301	384,704	
West Virginia			Did not apply
Wisconsin	789	49,097	
Wyoming			Did not apply
Puerto Rico	2,123	146,373	
TOTAL	436,612	$28,710,000	

Source: Office of Bilingual Education and Minority Languages Affairs, U.S. Department of Education.

Program participation information for FY 1987 is not available. Data from individual States is still being received by the U.S. Office of Bilingual Education and Minority Languages Affairs.

SYNTHESIS OF EVALUATION FINDINGS

There have been no evaluations of the emergency immigrant education program.

ADDITIONAL PROGRAM BACKGROUND INFORMATION AND ISSUES

Some school officials in Florida, California, Illinois, New York, and Texas, States with large immigrant student populations, argue that the presence of immigrant children in their local school districts largely results from Federal immigration policies over which State taxpayers have little or no control. Consequently, these school administrators contend that the Federal Government should provide financial assistance to the local school districts financially burdened by the additional costs of providing educational and related services for immigrant children. Further, they point out that the scope of services required by immigrant children exceeds that usually required by non-immigrant students. Some school administrators argue that many school districts do not have the additional funds to provide English-language instruction programs, employ bilingual teachers, develop appropriate instructional materials, and provide needed related services for immigrant children. In addition, in States with large immigrant populations, immigrant children frequently reside in poorer school districts that are less able to pay for the costs of providing the educational services required by these students.

Data from the Immigration and Naturalization Service show that an average of approximately 115,000 immigrant children ages 5 to 19 (including refugees who have subsequently received immigrant status) were legally admitted to the United States annually from fiscal years 1970 through 1979. During fiscal years 1980 through 1982, an average of about 155,000 such immigrant children were admitted to the U.S. annually. This figure dropped to 142,831 and 136,152 in fiscal years 1983 and 1984, respectively. 5/ In addition, the U.S. Census Bureau estimates that, on average, 46,000 undocumented, or illegal, immigrant children in this age range annually enter the U.S. 6/ Further, the data show that the majority of immigrants are concentrated in the southwestern States, particularly in California and Texas. 7/

Over the last 10 years, the impact of immigrant children upon California school districts has been significant. The California State Department of Education estimates that between 60,000 and 75,000 immigrant children are enrolled in schools throughout that State. 8/ More than 40 percent of all the Southeast Asian refugees have settled in California in addition to substantial numbers of Cuban-Haitian refugees and Mexican immigrants. 9/ Some estimate

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5/ Immigration and Naturalization Service. Annual Report, 1979. Table 10 and Table 14; 1982 Statistical Yearbook of the Immigration and Naturalization Service, 1982. Table IMM 4.1. Unpublished data obtained from the Immigration and Naturalization Service. Telephone conversation with Mike Hoefer, June 1985.

6/ Warren, Robert and Passel, Jeffrey S. Estimates of Illegal Aliens from Mexico Counted in the 1980 United States Census. Washington, U.S. Bureau of the Census. April 1983. Information also from telephone conversation with Jeffrey Passel, U.S. Bureau of the Census.

7/ Immigration and Naturalization Service. Annual Report, 1979. Table 12A. (This report was discontinued in 1980.)

8/ U.S. Congress. House. Committee on Education and Labor. Subcommittee on Elementary, Secondary, and Vocational Education. Hearing on Emergency Immigrant Education Act, 98th Cong., 2nd session. Washington, U.S. Govt. Print. Off., 1984. p. 49.

9/ Ibid.

that in Texas border towns, school enrollments have increased over 4 percent a year for the last 8 to 10 years due to steady influxes of Mexican children. 10/

In an attempt to contain the alleged additional costs of educating the growing numbers of immigrant children in the State, the Texas legislature amended section 21.013 of the Texas Education Code in May, 1975. The amendments stated that Texas would only reimburse local school districts for students who were citizens or legally admitted immigrants. Undocumented, or illegal, immigrants were not to be counted by Texas school districts in reporting their average daily attendance for purposes of calculating the districts' share of State education funds. 11/ Consequently, some local school districts excluded undocumented immigrant children from their public schools, while other districts charged them tuition since the State would not reimburse school districts for undocumented immigrant students. At issue was whether undocumented immigrant children must be provided a free public education by local districts. A series of court cases followed that led to a U.S. Supreme Court decision prohibiting Texas from denying free public education to undocumented immigrant children (*Plyler* v. *Doe*, 457 U.S. 202, 1982). 12/

10/ Aldrich, Hope. New Immigrants Swell Enrollments in Texas Border Towns. Education Week, August 31, 1983. p. 1.

11/ For a detailed discussion of the issues related to these Texas education amendments, see Masanz, Sharon D. Education Services for Undocumented Alien Children. CRS White Paper. Washington, August 3, 1982. 18 p.

12/ For a detailed discussion of this litigation, see Holland, Rick. Emergency Immigrant Education. CRS White Paper. Washington, July 31, 1985. 16 p.

This Supreme Court decision prohibiting Texas from denying free public education to undocumented immigrant children focused national attention on the problems school districts might face in providing educational services to undocumented students. In an attempt to provide assistance to school districts faced with large numbers of immigrant children, Congress enacted the Emergency Immigrant Education Act to provide school construction, maintenance, and operation funds to districts with significant immigrant student enrollments.

Education Assistance Under the Immigration Reform and Control Act of 1986

This section briefly describes the education provisions under the Immigration Reform and Control Act of 1986 (P.L. 99-603). This legislation prohibits the hiring of illegal aliens and establishes penalties for employers who do hire, or recruit, or refer for a fee, such aliens. It also provides for a program of legalization first to temporary and then to permanent status for aliens who have resided in the U.S. in an unlawful status since before 1982. Under this legalization program, eligible illegal aliens must demonstrate a minimal understanding of English and knowledge of U.S. history and government, or be satisfactorily pursuing such a course of study, as a prerequisite for obtaining permanent residence in the U.S. States are to receive grants out of $1 billion appropriated annually by the Immigration Reform and Control Act of 1986 for reimbursement of the costs for educational and certain social programs for legalized aliens.

These State Legalization Impact-Assistance Grants will be available for fiscal years 1988 through 1991, and are to be distributed to States by a formula to be established by regulation. The grants are to be used by States for (1) educational services, (2) programs of public assistance, and (3) public health assistance. States are required to allocate at least 10 percent of their respective grants for each of these 3 areas. The legislation authorizes States "to make payments to State educational agencies for the purpose of assisting local educational agencies of that State in providing education services for eligible legalized aliens." The State educational agencies may provide such educational services to adult eligible legalized aliens through local educational agencies and other public and private nonprofit organizations, including community-based organizations. Such educational services may include English language instruction and other programs designed to enable aliens in temporary status to attain the citizenship skills required to obtain permanent U.S. residence.

The legislation provides that with exceptions the definitions and provisions of the Emergency Immigrant Education Act of 1984 apply to payments to State educational agencies for providing educational services for eligible legalized aliens. "Immigrant children" for this purpose means "eligible legalized aliens," including those over 16 years of age, during the 5-year period beginning with the first month they were granted temporary legal residence. Like the emergency immigrant education program, participation in the legalization program is limited to local school districts having at least 500 eligible legalized aliens or 3 percent of their total student enrollment comprised of such aliens, whichever is less; however, these eligibility criteria do not apply to aliens over 16 years of age. The $500 cap per alien student applies to all eligible aliens regardless of age.

In general, it would appear that the State Legalization Impact-Assistance Grants will serve a different student population than is served by the emergency immigrant education program. That is, the emergency immigrant education program serves immigrant children who have been attending school in the U.S.

for less than 3 complete years. By contrast, the legalization impact grants will serve alien students who have resided in the U.S. since before 1982, and they do not begin until October 1, 1987. Thus, only very young elementary school students could qualify for eligibility under both programs.

Administration Opposition to Funding for the Emergency Immigrant Education Program

In both the FY 1986 and FY 1987 budget requests, the Administration proposed a rescission of the current fiscal year appropriations for this program, and no funds were requested for the following fiscal years. The Administration argued that most of the children in need of educational services provided by the emergency immigrant education program are also eligible for services under other Federal programs because of their immigrant status, economic or educational disadvantage, or limited English proficiency. Consequently, the Administration maintained that there was sufficient financial assistance under chapters 1 and 2 of the Education Consolidation and Improvement Act of 1981 and Title VII, the Bilingual Education Act, of the Elementary and Secondary Education Act to provide the financial support needed by local school districts for educating these immigrant children. Nevertheless, Congress did not approve either of the proposed rescissions and appropriated $28.7 million and $30 million, respectively, in fiscal years 1986 and 1987.

SOURCES OF ADDITIONAL INFORMATION

U.S. Library of Congress. Congressional Research Service. American Law Division. The right of illegal alien children to a free public education, by Charles Dale. Feb. 23, 1981. [Washington] 1983.

----- Education and Public Welfare Division. Education services for undocumented alien children, by Sharon D. Masanz. Aug. 3, 1982. [Washington] 1982.

CRS-XII-19

----- Emergency immigrant education, by Rick Holland. July 31, 1985.
[Washington] 1985.

XIII. MAGNET SCHOOLS ASSISTANCE PROGRAM

SUMMARY OF PROGRAM PURPOSE AND STRUCTURE

The Magnet Schools Assistance program (Title VII of the Education for Economic Security Act, P.L. 98-377) supports specific activities in magnet schools operated in desegregating school districts. Magnet schools have distinctive curricular features that are intended to attract students of different races. The program has two statutory objectives:

(1) to assist local educational agencies in the elimination, reduction, or prevention of minority group isolation in schools with substantial portions of minority students; and

(2) to support, through aid to local educational agencies, programs that strengthen academic and vocational education skills of students attending magnet schools.

A magnet school is defined as a school or education center providing a special curriculum intended to be attractive to substantial numbers of students of different races.

To be eligible for assistance, a local school district must meet one of three conditions:

(1) it lost $1 million or more as a result of the repeal of the Emergency School Aid Act on October 1, 1982; 1/

1/ The Emergency School Aid Act (ESAA, Title VI of the Elementary and Secondary Education Act of 1965) was repealed by the Omnibus Budget Reconciliation Act of 1981 (P.L. 97-35). ESAA funded a wide range of desegregation related activities. Districts calculate the funding loss from the repeal of ESAA by comparing their fiscal year FY 1982 assistance provided under Chapter 2 of the Education Consolidation and Improvement Act ECIA of 1981 (P.L. 97-35) and their FY 1981 ESAA assistance.

(2) it is implementing a desegregation plan under court order or order of a State agency or official; or

(3) it has voluntarily implemented, or would if funded, a desegregation plan approved under title VI of the Civil Rights Act of 1964 (P.L. 88-352). 2/

The Secretary of Education distributes magnet school assistance competitively to eligible local districts as project grants. The Secretary gives "special consideration" to the recentness of the approved desegregation plan, the extent to which minority group children are involved in the plan, the need for assistance, and the prospects for attaining program objectives.

Funds may be used for expenses related to the following facets of a magnet school:

(1) planning and promotional activities related to expansion and enhancement of academic programs;

(2) acquisition of books, materials, and instructional equipment, including computers; and

(3) compensation of certified and licensed teachers.

For items (2) and (3) above, expenses must be related to improving math, science, history, English, foreign language, art, music or vocational skills.

Certain limitations are placed on the grants. Funds may not be used for consultants, transportation, or any activity not enhancing academic improvement. Additional grants to a district are dependent upon the district making satisfactory progress toward meeting the objectives of the program. Also, no more than ten percent of any grant can be spent on planning. States are prohibited from reducing State aid to a district because of its receipt of assistance under this program. A district's allocation under chapter 2 (Education Consolidation and Improvement Act of 1981, P.L. 97-35) cannot be reduced as a consequence of the receipt of Magnet Schools Assistance, unless the district's

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2/ Title VI prohibits discrimination on the basis of race, color or national origin in any program receiving Federal financial assistance.

chapter 2 funds are to be used to address problems arising from the isolation or concentration of minority group children in schools. The Secretary may waive the limitation on reducing other chapter 2 assistance if the State shows that such assistance is not necessary for the district in question.

In addition, an eligible school district must certify in its application for assistance that it will not discriminate on the basis of race, religion, color or national origin in:

(1) the hiring and treatment of employees;

(2) the assignment of students to schools or courses, except under an approved desegregation plan; and

(3) extracurricular activities.

The authorized annual appropriation level is $75 million for fiscal years 1984 through 1988.

BRIEF LEGISLATIVE HISTORY 3/

The Magnet Schools Assistance program was enacted as part of the **Education for Economic Security Act** in 1984, after efforts had been made in both the House and Senate to revive the Emergency School Aid Act (Title VI of the Elementary and Secondary Education Act of 1965). The Omnibus Budget Reconciliation Act of 1981 (P.L. 97-35) repealed ESAA, the primary source of Federal funds supporting desegregation of districts across the country. ESAA funding, shortly before repeal of the program, focused increasingly on support of magnet schools.

The Senate added the Magnet Schools Assistance program to its version of the Education for Economic Security Act as a floor amendment (June 6, 1984). The legislation, as amended and approved by the Senate (June 27, 1984), was

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3/ For more detail, see Magnet Schools Assistance: Federal Aid to Desegregating School Districts [by] James B. Stedman, Congressional Research Service, report no. 85-746 EPW, May 31, 1985.

subsequently approved by the House (July 25, 1984), and was signed into law as P.L. 98-377 (August 11, 1984). 4/

Since its enactment, the Magnet Schools Assistance program has been amended once, by the **National Science, Engineering, and Mathematics Authorization Act of 1986 (P.L. 99-159)**. The Senate approved the amending language as a floor amendment to the National Science, Engineering, and Mathematics Authorization Act on September 26, 1985. There were no subsequent amendments to the Magnet Schools Assistance program.

The amendments in P.L. 99-159 to the Magnet Schools Assistance program extended the program's authorization through FY 1988. The program was originally authorized only through FY 1986. The legislation also deleted two provisions from the program's statement of purpose. As originally enacted, the statement of purpose included assistance for the establishment and operation of magnet schools, and assistance for meeting "special needs" arising from the elimination of segregation and discrimination. The uses of funds were modified to more narrowly focus on academic programs in magnet schools, deleting language permitting funds to be used for magnet school programs in general. Finally, the legislation amended the program by deleting a prohibition against using this assistance for courses "the substance of which is secular humanism." 5/

4/ The House previously had passed H.R. 2207 (June 7, 1983) to revive the Emergency School Aid Act in a modified form following its repeal by P.L. 97-35. This bill authorized funding for desegregation planning, development and implementation of magnet schools, staff training, the hiring of additional staff, innovative education activities involving multiracial participation, community relations, activities to address recurring desegregation problems, and, for districts desegregating under court order, educational activities for minority schools unaffected by reassignment. The authorized appropriation level was set at $100 million for FY 1984 and "such sums as necessary" for the next two fiscal years.

5/ See, The Concept of "Secular Humanism" in the Context of Elementary and Secondary Education: Discussion of the Variety of Meanings, and References in Federal Education Legislation [by] Wayne Riddle, Congressional Research Service, report no. 86-545 EPW, January 31, 1986.

ALLOCATION FORMULA AND PROCESS

This is a competitive grant program under which the Secretary of Education evaluates applications from individual school districts and selects eligible applicants for funding.

PROGRAM FUNDING HISTORY

The Magnet Schools Assistance program has been funded for three fiscal years, 1985, 1986 and 1987. The table below provides the final appropriation for each of those years.

Table 1: Funding for the Magnet Schools Assistance Program
(in thousands of dollars)

Fiscal Year	Appropriation	Percentage Change From Previous Year
FY 1985	$75,000	--
FY 1986	$71,775	-4.3
FY 1987	$75,000	+4.5

PARTICIPATION LEVELS AND TRENDS

From the FY 1985 appropriation, 44 school districts received grants, averaging $1,705,000 and ranging from $214,000 to $4,000,000. [6] The FY 1986 appropriation was awarded to these same districts as continuation grants. The application notice for FY 1987 funds estimates that 44 grants will be made, averaging $1,705,000. 7/ As with the FY 1985 awards, these will have project periods that run for 2 years.

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[6] The FY 1985 appropriations act for the Department of Education (P.L. 98-619) restricted the maximum grant under the program to $4,000,000. This same limitation has been applied to FY 1986 and FY 1987 appropriations by subsequent acts appropriating funds for the Department of Education (P.L. 99-178; P.L. 99-500).

SYNTHESIS OF EVALUATION FINDINGS

Not surprisingly, given its recent enactment, the Magnet Schools Assistnce program has not been evaluated. Past experience with Federal funding of magnet schools under the Emergency School Aid Act, however, might be useful in considering the potential role of the Magent Schools Assistance program. A recent Congressional Research Service review of evaluations of that earlier Federal effort focused on two questions: 8/

(1) Is there a need for Federal assistance to magnet schools?

(2) What are the major structural and procedural issues faced by such a program?

That review noted, with regard to the first question, that evaluations of the Emergency School Aid Act and research on magnet schools in general provide somewhat ambiguous responses. Magnet schools, according to the research, appear to enhance desegregation under certain conditions, but federally supported magnet schools *per se* may not be any more likely to contribute to desegregation of a school district than non-federally supported magnets. The ESAA evaluations cautioned that ESAA funding should grow slowly, if at all, and suggested that many districts have established magnet schools without any Federal assistance.

7/ Federal Register, August 4, 1986, p. 27898-27899.

8/ Magnet Schools: Federal Assistance and Findings from National Studies [by] James B. Stedman, Congressional Research Service, report no. 85-1065 EPW, December 4, 1985.

With regard to the second question (concerning what the earlier experience might suggest for structuring a Federal magnet school program), it appears that the objectives of the program need to be clearly defined, particularly in balancing desegregation goals with educational improvement goals. Where the balance will be struck in the Magnet Schools Assistance program is not clear. It also appears that the place of magnet schools within a district's broader desegregation effort may merit attention. One evaluation concluded that magnet schools were most effective as desegregation tools when they were not the sole desegregation approach being utilized. The Magnet Schools Assistance program is silent on this issue. Finally, it may be important to consider whether Federal assistance should be targetted to districts where conditions are conducive to effective operation of magnet schools, or be used to nurture those necessary conditions within districts. The Magnet Schools Assistance program does not appear to address this issue. Indeed, it seems focused on certain important characteristics of districts' programs (design of the magnet program, quality of program administrators, and adequacy of resources devoted to the program), but not on a broader range of elements that might contribute to the operation of effective magnet schools (such as the level of community involvement, the degree of support by State officials, past desegregation experience in the district, suitable locations for placing the schools, the balance between desegregation goals and educational improvement goals, and the extent of minority group representation in the district).

ADDITIONAL PROGRAM BACKGROUND INFORMATION AND ISSUES

This section is not included in this chapter.

OPTIONS AND ALTERNATIVES

This section is not included in this chapter.

SOURCES OF ADDITIONAL INFORMATION

This section is not included in this chapter.

XIV. THE WOMEN'S EDUCATIONAL EQUITY ACT

SUMMARY OF PROGRAM PURPOSE AND STRUCTURE

The Women's Educational Equity Act (WEEA), title IX-C of the Elementary and Secondary Education Act, was first authorized by the Education Amendments of 1974, P.L. 93-380, and was first funded in FY 1976. The statutory purpose of the WEEA program is to promote educational equity for women and girls in the United States and to provide financial assistance to help educational agencies and institutions meet the nondiscrimination requirements of title IX of the Education Amendments of 1972, P.L. 92-318.

Some research data have shown that a variety of educational policies and practices that discriminate against women and girls existed at nearly every level of education in the United States, and in some cases continue to exist in part. The extent of this problem can be seen by a brief review of some of the major areas where sex bias or discrimination has been alleged. For example, according to some researchers, different treatment of boys and girls, and men and women, in U.S. textbooks was common. 1/ Girls were often portrayed as more passive than boys, and the primary occupations for women in school textbooks were housewife and elementary school teacher.

At the elementary school through college levels, guidance counselors have been accused by some researchers of providing girls and women with inferior

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1/ Fishel, Andrew, and Pottker, Janice. National Politics and Sex Discrimination in Education. Lexington, Mass. Lexington Books, 1977. p. 8.

academic, occupational, and personal guidance. Analyses of selected counseling sessions and survey instruments have shown that some counselors view certain jobs as being more suitable for men than for women and therefore tend to steer girls and young women away from these "masculine" occupations. 2/ Also, vocational and career education programs have sometimes perpetuated traditional sex-role behavior patterns, according to some experts. In some cases where girls wanted to enroll in a course or a program not traditionally for females, they have been prohibited from doing so. 3/ Certain advanced math and science classes have at times also been closed to girls if the classes had insufficient spaces for all the boys who wanted to enroll.

In sports programs at both the secondary school interscholastic level and the intercollegiate level, some research data indicate teams for men have outnumbered those for women, and men's teams have received greater financial support. 4/ Even in sports considered equally appropriate for boys and girls, such as tennis or golf, some educational institutions treated girls and young women unequally. When the same sport was offered on a separate team basis for both males and females, it was provided less frequently for girls and young women, according to some researchers. 5/

Finally, some research studies suggest that women faculty members have been discriminated against in a number of areas at colleges and universities. 6/ Women have tended to be found at the lower teaching levels at lower-status postsecondary institutions or at junior colleges according to

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2/ Ibid., p. 9.

3/ Ibid., p. 10.

4/ Ibid., p. 11.

5/ Ibid.

6/ Ibid.

these research studies. They also have been paid less than their male colleagues in some cases for doing the same job. 7/ In addition, certain researchers contend that some women faculty members have been given the least desirable teaching assignments, e.g., large undergraduate classes rather than graduate-level seminars. Further, some research data indicate that they are less likely to have tenure than male faculty. 8/

The WEEA program provides discretionary grants and contracts to public agencies, private nonprofit organizations, and individuals for women's educational equity projects that are of national, statewide, or other general significance. Among other things, the Act authorizes curricular and textbook development related to women's educational equity, model personnel training programs, guidance and counseling activities, and educational equity research. The WEEA program supports work not only in elementary, secondary, and higher education, but also in preschool, vocational, and adult education.

Under current WEEA program regulations, six program priorities are listed from which the Secretary of Education each year selects 1 or more for funding. The six program priorities are for model projects: on compliance with the nondiscrimination provisions under title IX on educational equity for racial and ethnic minority women and girls; on educational equity for disabled women and girls; to influence leaders in educational policy and administration; to eliminate persistent barriers to educational equity for women; and other authorized activities (projects that address other important issues and activities authorized under WEEA but not explicitly focused on one of the previous priority areas, for example, sex equity in school and college health services). In addition, the Secretary is required to make at least 1 grant or

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7/ Ibid., p. 12.

8/ Ibid.

contract every year for each of the equity activities described in the statute (i.e., curricular and textbook development, model personnel training, etc.).

The Women's Educational Equity Act authorizes 2 programs of discretionary grants and contracts both of which are aimed at achieving one or more of the above six program priorities. The first is a discretionary grant program to develop, demonstrate, and disseminate information on women's educational equity programs, materials, and activities of national, State, or general significance. The Department of Education must attempt to ensure a broad geographic distribution of funded projects and to avoid supporting previously funded ideas. The second discretionary grant program assists projects of local significance, including support for programs to achieve compliance with the nondiscrimination provisions under title IX. This latter program has never been implemented because the authorizing legislation formerly stipulated that the Department could provide financial assistance to projects of local significance only when annual appropriations for the WEEA program exceeded $15 million (which, to date, they have not done). The Education Amendments of 1984 (P.L. 98-511), by contrast, authorize the use of WEEA funds in excess of $6 million for activities under either or both programs; however, since the enactment of the 1984 amendments, funding for WEEA has been insufficient to provide financial assistance to projects of local significance.

If annual appropriations exceed $6 million (which they have not done since FY 81), the WEEA program can also pay part of the costs of establishing and operating, for up to 2 years, projects that are of national, statewide, or other general significance that provide equal opportunities for both sexes. At least 75 percent of the funds for these projects must be provided to local school districts.

"Challenge grants" are also authorized under WEEA to support the development of innovative strategies for planning and implementing women's educational equity programs, creative school-community partnerships, and new dissemination and replication approaches. The maximum size of these discretionary grants, which were first funded in FY 1985, is $40,000.

The WEEA program office is required to evaluate and disseminate at low cost all materials and programs developed under the Act. A national publishing center, under contract to the Department of Education, publishes and markets 104 products developed by the WEEA grantees. Over 265 products, such as training manuals, curriculum guides, and instructional materials, from WEEA grants have been made available for national dissemination.

The Women's Educational Equity Act also established a National Advisory Council on Women's Educational Programs. The Council, which is part of the Department of Education, consists of 17 individuals appointed by the President (by and with the advice and consent of the Senate) as well as the Director of the Civil Rights Commission and the Director of the Women's Bureau of the Department of Labor. According to the Act, the Council is to include persons who are experts on a wide range of educational equity issues for women and girls at all levels of education; individuals who represent and are experts on the educational needs of racial and ethnic minority women, older women, and disabled women; both women and men who have demonstrated commitment to and expertise in women's educational equity; and persons who represent and are experts on Federal student financial assistance programs. The Council, among other things, advises Federal agencies regarding aspects of their educational programs that relate to the educational needs of and opportunities for women. Over the past 10 years, the WEEA program has distributed more than $72 million to nearly 700 grantees for the development of curricular materials, training programs, and other written and audio-visual materials. In FY 1985, the program awarded 60 grants to develop and disseminate programs and materials that promote educational equity for women and girls; in recent years (since FY 1981), nearly 20 percent of all grants and WEEA funds awarded were for the support of projects designed to increase commitment to, and compliance with, the nondiscrimination provisions of title IX.

The Women's Educational Equity Act program is administered by the Office of Elementary and Secondary Education in the U.S. Department of Education. The Department is required to provide reports on the WEEA program to Congress annually.

A BRIEF LEGISLATIVE HISTORY

This section provides a brief legislative history of WEEA from 1974 to present. The history includes only major substantive amendments that were enacted, as opposed to minor technical amendments to the Act and legislative proposals that were not enacted.

The Women's Educational Equity Act was first authorized by the Education Amendments of 1974, P.L. 93-380, and first funded in FY 1976. The original legislation authorized the then U.S. Office of Education to provide a program of discretionary grants and contracts to promote educational equity for women and girls through a wide range of activities at all levels of education. Appropriated funds for WEEA were to be used to support the development, demonstration, and dissemination of model materials and approaches designed to eliminate sex bias. Projects funded under the Act had to be of national, statewide, or other general significance.

The 1974 legislation specifically authorized 6 types of activity:

(1) the development and evaluation of curricula, textbooks, and other instructional materials related to women's educational equity;

(2) model preservice and inservice training programs for instructional personnel;

(3) research and development activities;

(4) guidance and counseling activities, including development of non-discriminatory achievement and vocational preference tests;

(5) educational programs to increase opportunities for adult women, including programs for underemployed and unemployed women; and

(6) expansion and improvement of programs and activities for women in vocational education, career education, physical education, and educational administration.

The 1974 Act also authorized a program of small grants, not to exceed $15,000 each, to be awarded at the discretion of the U.S. Commissioner (now Secretary) of Education. These smaller discretionary grants, often awarded to individuals, supported the development of innovative strategies to achieve educational equity for women and girls. The original legislation established a National Advisory Council on Women's Educational Programs. The Council was composed of 17 members appointed by the President, with the advice of the Director of the Civil Rights Commission, the Director of the Women's Bureau of the Department of Labor, and the Director of the Women's Action Program of the then U.S. Office of Education. The Council's responsibilities included: advising Congress and the U.S. Commissioner (now Secretary) of Education on women's educational programs, recommending how WEEA funds should be distributed, providing advice on WEEA program priorities, reporting to the President and Congress, and disseminating information on Council activities.

The Education Amendments of 1978, P.L. 95-561, reauthorized and substantially revised the Women's Educational Equity Act. A two-tier funding approach was established. The first discretionary grant program was to fund women's educational equity projects of national, statewide, or other general significance to develop, demonstrate, and disseminate model programs and materials. The second discretionary grant program (which has not been implemented to date because of insufficient appropriations for WEEA) was to assist local school districts to comply with the requirements of title IX of the Education Amendments of 1972 (P.L. 92-318). The 1978 amendments required that appropriations for WEEA had to exceed $15 million before the second grant program could be funded.

The 1978 legislation retained the six types of authorized activities but also required that the Secretary of Education establish program priorities to ensure the most effective use of available WEEA funds. The regulations issued in 1980 for implementing the WEEA program identified 5 specific funding priorities: (1) model programs and materials to enable educational agencies to meet the requirements of title IX, which prohibits discrimination on the basis of sex; (2) projects that address educational equity for women and girls who are members of racial and ethnic minority groups; (3) projects that focus on educational equity for disabled women and girls; (4) model projects to increase commitment to title IX compliance and to women's educational equity among educational policymakers; and (5) projects that focus on persistent barriers to achieving women's educational equity. The Secretary, with the advice of the National Advisory Council on Women's Educational Programs, could choose to fund some or all of the program priorities in a given fiscal year.

The 1978 Act provided authorizations of appropriations for WEEA of $80 million annually through FY 1983. The 1978 legislation also increased the maximum amount for small grants from $15,000 to $25,000 each. Subsequently, however, the Omnibus Budget Reconciliation Act of 1981, P.L. 97-35, reauthorized WEEA and limited authorizations of appropriations for the program to $6 million for each of fiscal years 1982, 1983, and 1984. Notably, WEEA was excluded from consolidation into the chapter 2 block grant.

Title IV of the Education Amendments of 1984 (P.L. 98-511), the "Women's Educational Equity Amendments of 1984," extended the authorizations of appropriations for the Women's Educational Equity Act of 1978 through FY 1989. Under the 1984 amendments, authorizations of appropriations for WEEA are $14 million, $16 million, and $20 million for fiscal years 1987, 1988, and 1989, respectively.

The Education Amendments of 1984 also amended WEEA by adding a declaration that "excellence in education cannot be achieved without equity for women and girls." Further, the statutory purpose of the Act was expanded to include providing "educational equity for women and girls who suffer multiple discrimination, bias, or stereotyping based on sex, and on race, ethnic origin, disability, or age."

The 1984 legislation authorized funding for the second discretionary grant program that supports projects of local significance when appropriations for WEEA exceed $6 million (which they have not done since FY 1981), rather than $15 million as required by previous legislation. Under current law, 75 percent of these funds for WEEA in excess of $6 million must go to local school districts.

In addition, the legislation changed the small grant program to a program of "challenge grants" not to exceed $40,000 each. "Challenge grants" support the development of innovative strategies for planning and implementing women's educational equity programs, creative school-community partnerships, and new dissemination and replication approaches. These smaller grants are governed by the same two-tier discretionary grant system that is used to award the larger general grants; that is, "challenge grants" must support projects of national, statewide, or general significance until WEEA appropriations exceed $6 million,after which any funds in excess of $6 million may be used for "challenge grants" that support projects of local significance.

The Education Amendments of 1984 also reauthorized the National Advisory Council on Women's Educational Programs. The amendments expanded the Council's charge to advise all Federal agencies with education programs that relate to the needs of and opportunities for women.

ALLOCATION FORMULA AND PROCESS

Public agencies, private nonprofit organizations, and individuals apply directly to the U.S. Department of Education for WEEA funds. Discretionary project grants and contracts are awarded on the basis of national competition after all applications are reviewed by panels of Federal and non-Federal experts in the area of educational equity. According to WEEA program regulations, the Department must attempt to ensure geographic diversity and to avoid supporting previously funded ideas. WEEA funds are generally used in the program year following the fiscal year for which they are appropriated.

The following table presents the FY 1985 distribution of WEEA grants among the program priorities established by regulation. Comprehensive data are not available regarding the distribution of WEEA funds among these program priorities.

TABLE 1. FY 1985 Distribution of WEEA Grants Among the Program Priorities Established by Regulation

Program priorities	Number of grants	Percent of all grants
Projects on title IX compliance	8	14
Projects on educational equity for racial and ethnic minority women	17	29
Projects on educational equity for disabled women and girls	8	14
Projects to influence leaders in educational policy and administration	0	0
Projects to eliminate persistent barriers to educational equity for women	17	29
Other authorized activities (projects or activities authorized under WEEA that fall outside the priority areas listed above)	9	15
Total	59	100 a/

a/ The percent column totals do not add to 100 percent due to rounding.

Source: Annual Evaluation Report--Fiscal Year 1985. U.S. Department of Education, Office of Planning, Budget and Evaluation.

WEEA conducts a separate competition within each program priority area selected for funding. Each grant application is submitted for funding consideration in 1 of the 6 program priority areas and competes only against other grant applications submitted within the same area.

PROGRAM FUNDING HISTORY

The following table presents the appropriations for the Women's Educational Equity Act since FY 1976, the first year for which funding was authorized.

As this table shows, appropriations for the Women's Educational Equity Act rose steadily from $6,270,000 in FY 1976 to $10,000,000 in FY 1980. Beginning in FY 1981, however, appropriations for WEEA began to decline from the FY 1980 level, largely as a result of budgetary limitations enacted in the Omnibus Budget Reconciliation Act of 1981, P.L. 97-35. Under P.L. 97-35, authorizations of appropriations for WEEA were limited to $6,000,000 for each of fiscal years 1982, 1983, and 1984. While WEEA appropriations increased slightly from $5,760,000 in fiscal years 1982, 1983, and 1984 to $6,000,000 in FY 1985, they have subsequently dropped to a low of $3,500,000 for FY 1987. This FY 1987 funding level is $6,500,000 below the FY 1980 funding level high for the WEEA program.

In constant dollars (i.e., after adjusting for the effects of inflation) appropriations for the Women's Educational Equity Act increased annually from FY 1976 to FY 1977, but declined each year since FY 1980. As the appropriations table shows, the net change in annual appropriations for WEEA from FY 1976 to FY 1987 reflects a 73.6 percent decrease in constant dollars.

PARTICIPATION LEVEL AND TRENDS

The Women's Educational Equity Act program has provided financial assistance to a variety of institutions and to individuals and has supported projects in almost all States. However, WEEA program participation and funding has been

The Women's Educational Equity Act (WEEA), Title IX, Part C Of The Elementary And Secondary Education Act: Appropriations History For Fiscal Years 1976-1987, In Current And Estimated Constant Dollars

Fiscal Year	WEEA Appropriation (in thousands of current dollars)	Percentage Change From Previous Year (current dollars)	Percentage Change From Previous Year (constant dollars)
1976	$6,270		
1977	$7,270	15.9%	6.2%
1978	$8,085	11.2%	3.9%
1979	$9,000	11.3%	3.9%
1980	$10,000	11.1%	1.8%
1981	$8,125	-18.8%	-25.6%
1982	$5,760	-29.1%	-35.0%
1983	$5,760	0.0%	-6.8%
1984	$5,760	0.0%	-5.5%
1985	$6,000	4.2%	-1.9%
1986	$5,742	-4.3%	-8.9%
1987	$3,500	-39.0%	-40.8%
Net change, FY 1976-1987		-44.2%	-73.6%

Note: The price index used is the (fixed-weight) deflator for State and local government purchases of services, received from the Bureau of Economic Analysis, Department of Commerce, on Aug. 19, 1986. For fiscal year 1986, the index is based on data for the first 3 quarters of the year only. Also, for fiscal years 1987 and 1988, price index numbers are estimated on the basis of Congressional Budget Office projections of the rate of increase in the overall Gross National Product deflator (published in Aug. 1986).

higher in specific types of institutions and in certain States because of their higher interest in the program.

WEEA grants have been awarded to 5 types of applicants: (1) local school districts, (2) State education agencies (SEAs), (3) institutions of higher education (IHEs), (4) non-profit organizations, and (5) individuals. Of these five types of applicants, IHEs and non-profit organizations together have received at least 75 percent of the appropriated funds each year. From FY 1976 through FY 1985 overall, these 2 types of applicants were awarded 84 percent of the available WEEA funds. Many of the grants to colleges and universities, however, focused on reforming elementary and secondary education programs, rather than on postsecondary education concerns.

During the same 9-year period, SEAs were awarded an average of 4 percent of the available amounts under the Act. Local school districts received an average of 10 percent of the WEEA funds during this period, while individuals were awarded an average of 2 percent of the grant monies, mostly through the small grant (now "challenge grant") program.

The WEEA program regulations state that the Secretary of Education must consider the geographical distribution of grant monies in making final grant awards. However, the geographical distribution of WEEA grants has been somewhat uneven. New York, California, and the District of Columbia have consistently received at least 20 percent of the WEEA grant monies every year. Since the program's inception, there has been a gradual decrease in the number of States receiving WEEA awards in any one year from 41 States in FY 1976 to 28 States in FY 1985.

In FY 1985 (the most recent year for which data are available), the Women's Educational Equity Act program received 450 grant applications for new awards, of which 334 were for general grants and 116 were for "challenge grants." Of the funding applications received, 41 awards were made for general grants that support projects of national or statewide significance, and 12 awards were made for "challenge grants" that assist projects focusing on innovative approaches to implementing, disseminating, and/or replicating educational equity programs for women and girls. In addition, the WEEA program awarded 6 continuation grants in FY 1985, and approximately $600,000 funded a contract to operate the WEEA publishing center.

SYNTHESIS OF EVALUATION FINDINGS

This section presents the major findings of 3 relatively recent evaluations of the Women's Educational Equity Act program.

An evaluation conducted in 1980 by the American Institutes for Research (AIR) evaluated 9 WEEA projects funded between 1976 and 1979 that were identified by the Department of Education as having produced high-quality curriculum or training materials. The AIR researchers concluded that two-thirds of these WEEA projects identified as having produced high-quality materials had inadequate evaluations.

In response to these AIR findings, the WEEA program revised its regulations in 1980 to encourage adequate evaluations of the WEEA projects. The revised regulations required WEEA grant applicants to describe in their grant proposals an "effective plan for evaluation." If an otherwise acceptable grant proposal contained inadequate plans for evaluation, the WEEA program staff were authorized to require a more detailed, complete set of plans. As discussed later in this section, despite this requirement for evaluation plans, the actual evaluations of products from WEEA projects continue to be uneven.

In February 1984, the Citizens Council on Women's Education, a project of the National Coalition for Women and Girls in Education, released a report entitled, Catching Up: A Review of the Women's Educational Equity Act Program. This report was intended to inform members of Congress of WEEA's accomplishments as they considered the reauthorization of this program. The Citizens Council obtained information on over 100 WEEA projects from project directors, the WEEA program office, the WEEA publishing center, WEEA product users, and from articles in newspapers, magazines, and professional journals. The Council concluded that the Women's Educational Equity Act had contributed significantly to progress toward quality education for women as well as men.

The Citizens Council recommended that an additional purpose should be included under WEEA: "to provide educational equity for racial and ethnic minority women and disabled women and to overcome the additional discrimination which they encounter in education." In light of newly emerging educational equity needs, the Council recommended that WEEA update or replace some of its curriculum materials and products for achieving educational equity for women and girls in such evolving educational areas as computer technology. Moreover, the Council pointed out that new research findings regarding, for example, the recruitment and retention of women and girls in higher level science and mathematics studies, should be translated into usable, curricular materials. In addition, among other things, the Council recommended greater statutory emphasis on dissemination of WEEA materials; restoring the authorization level for WEEA to the previous level of $80,000,000 annually; supporting eligible grant applicants that have expertise in the needs of racial and ethnic minority women and of disabled women; increasing the expertise of WEEA advisory council members on sex equity activities at all levels of education and on the educational needs of minority and disabled women; and increasing the diversity of membership on the National Advisory Council on Women's Educational Programs, as well as further specifying its directives.

Subsequently, in October 1985, Applied Systems Institute, Inc. (ASI) completed a descriptive analysis of the Women's Educational Equity Act program under contract to the Office of Planning, Budget and Evaluation in the U.S. Department of Education. The purpose of the study was to describe and analyze the WEEA program and provide the Department with information on which to base budget and administrative policy decisions for the program.

ASI researchers obtained descriptive information from interviews with program staff at the Department and with personnel at the WEEA publishing center, from annual reports prepared by the WEEA program office and the National Advisory Council on Women's Educational Programs, from program grant files, and from examination of products at the WEEA publishing center.

The ASI researchers concluded that the Women's Educational Equity Act program was funding projects that addressed the purposes of the Act. However, they found that the program was funding many projects that appeared to be of local, rather than of national or Statewide, significance. While most projects claimed they were national in scope, ASI contended that many focused on a limited number of individuals or a specific institution, and the evaluation evidence necessary to justify national dissemination of project materials was generally lacking.

ASI researchers identified a number of problems related to the WEEA program funding priorities contained in regulations. They found considerable overlap among the priority areas. Similar projects were funded under several priorities, and nearly all the projects funded under the "Other" priority were similar to ones funded under the more specific categories. Further, on-going projects were similar to previously funded projects, and no new substantive areas were proposed for project support under the Act. Consequently, the ASI researchers concluded that the need for new WEEA projects seemed to have decreased.

Moreover, the WEEA program priority areas, according to ASI, overlap with other programs in the Department of Education and other agencies. National level sex equity activities have been funded not only under WEEA, but also under the Fund for the Improvement of Postsecondary Education, the former National Institute of Education, the research program of the Carl D. Perkins Vocational Education Act, the National Science Foundation, and the National Endowment for the Humanities.

The ASI study concluded that evaluation and dissemination of products from the WEEA projects was uneven. Although evaluation plans were required of applicants where submitting proposals to the WEEA program office, rigorous evaluations were not conducted by many projects, and the criteria for WEEA products proposed for national dissemination did not emphasize the need to document product effectiveness. In addition, ASI researchers found that the WEEA publishing center that disseminates products developed under the program had costs much higher than the return in sales. In 1984, the Federal cost, according to the ASI study, averaged $50 for each individual WEEA product sold to the public, while the average charge to the consumer was $7. (It should be noted that the authorizing legislation requires the WEEA program to disseminate at low cost all materials and programs developed under the Act.)

Based upon these findings, the ASI researchers concluded that "consideration should be given to phasing out the [Women's Educational Equity Act] program." The researchers recommended that effort be made to publish the WEEA materials developed since 1979 since these products represent a considerable investment of funding and effort, and may be of use to local school districts and IHEs in reducing sex bias and/or ensuring educational equity for women and girls.

ADDITIONAL PROGRAM BACKGROUND INFORMATION AND ISSUES

This section briefly discusses the issues raised by the Administration in its repeated attempts to terminate the WEEA program.

Termination of the Women's Educational Equity Act Program

The Administration did not request any funds for the WEEA program for fiscal years 1982 through 1987. In addition, it has repeatedly proposed rescissions of previous fiscal year appropriations when submitting its budget requests to Congress.

In its rationale for the proposed rescissions of funds for WEEA, the Administration argued that the WEEA program has outlived its usefulness as a distinct categorical activity. The Administration pointed out that, although all WEEA projects funded are supposed to be of national, statewide, or general significance, in recent years an increasing proportion of the supported activities has been of local interest. In addition, the Administration contended that the program has not ensured that projects are subjected to systematic evaluation; consequently, materials and models that have been produced for national dissemination have been of uncertain quality. Further, the Administration maintained that in the 10 years that the Women's Educational Equity Act program has been in existence, a number of other Federal agencies and programs have come to duplicate its mission and activities, such as the Carl D. Perkins Vocational Education Act program, the National Science Foundation, and the National Endowment for the Humanities, among others. States and local communities that wish to fund sex equity activities may use the chapter 2 block grant monies or funds from the other Federal agencies and programs noted above for that purpose, according to the Administration.

SOURCES OF ADDITIONAL INFORMATION

U.S. Library of Congress. Congressional Research Service. Education and Public Welfare Division. Federal policies and programs relating to sex discrimination and sex equity in education, by Bob Lyke and Rick Holland. May 16, 1985. CRS report 85-116 EPW. [Washington] 1985.

XV. EXCELLENCE IN EDUCATION ACT

SUMMARY OF PROGRAM PURPOSE AND STRUCTURE

The Excellence in Education Act, enacted in 1984 and funded for fiscal year FY 1985 and FY 1986, supports improvement activities at individual elementary and secondary schools across the country. The Act was proposed largely as a Federal response to the growing concern over the status of the Nation's public education, particularly at the high school level. 1/

The purpose of the Act, according to the statute, is to provide Federal support for activities in schools that demonstrate techniques for improving educational quality, that can be disseminated and replicated among other schools, and that involve local parents, principals, teachers, and businesses in their implementation.

School districts in each State nominate individual schools to their chief State school officers. Each of these officers, in turn, nominates 25 schools to the Secretary of Education for his consideration. The Secretary can select no more than 500 schools from those nominations forwarded to him for project grants. School districts are to nominate schools that appear capable of "experiment[ing] with standards of quality" and that will further the purpose of the Act.

1/ Congressional Record, daily edition, June 6, 1984, pp. S6665-6667, remarks by Senator Heinz.

Each chief State school officer is responsible for forwarding a slate of recommended schools to the Secretary that represent "a fair and equitable distribution" within the State according to the following specified criteria:

(1) the level of schooling offered (e.g., elementary education);

(2) socioeconomic conditions within the State;

(3) geographic distribution within the State;

(4) the size and location of local communities;

(5) the relationships between local governments and school districts; and

(6) the potential for the nominated schools to successfully undertake reform activities that can be disseminated and replicated.

The Secretary's selection is to be made following a review of each submission by an impartial panel and according to the same factors governing the chief State school officers' selection process.

The legislation requires the Secretary to give priority to schools proposing to undertake projects with the following purposes:

(1) reform secondary school curriculum to improve achievement in academic and vocational subjects, and in basic skills;

(2) limit "excessive" electives and impose stricter graduation requirements;

(3) improve attendance and discipline;

(4) increase learning time;

(5) provide teachers and teams of teachers with incentives, such as financial awards and reduced administrative burdens;

(6) improve achievement through innovative measures, such as independent study; and

(7) create models of linkages between schools and their communities, and other schools, to address educational problems (e.g., use non-school personnel to alleviate teacher shortages).

The Secretary is to disseminate research and evaluation findings on "exemplary" projects and practices supported with these funds. In addition, the Secretary is to establish an independent monitoring panel to assess the success of the Act in improving instruction and student achievement.

Two kinds of awards for individual schools are authorized. School Excellence awards 2/ provide up to $25,000 for a single year, and no more than a total of $40,000 for a two-year period. Awards cannot be made for more than a two-year period. No matching funds are required.

Special Schools awards 3/ are matching grants, with the Federal share of funding not to be less than 67-2/3 percent nor more than 90 percent. Districts have to provide assurances that private sector matching support will be contributed to support the activities. As with the School Excellence awards, the Special School awards cannot exceed $25,000 in a single year, nor $40,000 over a two-year period (the maximum duration of an award).

The legislation authorizes $16 million a year for FY 1984 through FY 1988. When the annual appropriation exceeds $15 million, $3 million is to be reserved for Special School awards, and $1 million is to be used by the Secretary for the research, evaluation, dissemination, and monitoring activities described above.

BRIEF LEGISLATIVE HISTORY

The Excellence in Education Act was enacted as Title VI of the **Education for Economic Security Act (P.L. 98-377)** in 1984.

2/ The program regulations provide this name for these awards; the authorizing statute does not label these awards.

3/ This name is provided in the authorizing statute.

The Senate added the Act to its version of the Education for Economic Security Act as a floor amendment (June 6, 1984). The legislation, as amended and approved by the Senate (June 27, 1984), was subsequently approved by the House (July 25, 1984), and was signed into law as P.L. 98-377 (August 11, 1984). 4/

The **National Science, Engineering, and Mathematics Authorization Act of 1986 (P.L. 99-159)** extended the authorization of the Excellence in Education Act through FY 1988 at the same annual authorization level of $16 million. The original authorization was for FY 1984 and FY 1985. The Senate Committee on Labor and Human Resources added this extension to the National Science legislation.

A year later, during consideration of legislation that ultimately became the **Human Services Reauthorization Act of 1986 (P.L. 99-425)**, the Senate approved a floor amendment that modified a provision in the Excellence in Education Act (July 14, 1986). The Senate amendment provided that the funding reservation for Special School awards and for the Secretary's activities were to be effective only when the annual appropriation exceeded $15 million. This amending language was unchanged during subsequent action on the Human Services Reauthorization Act of 1986.

By making the funding reserves effective only when the annual appropriation exceeds $15 million, the Congress sought to facilitate the awarding of funds under the program. As originally enacted, the first $4 million of any annual appropriation had to be used to meet the combined funding reserves for Special School awards and for the Secretary's activities. The FY 1985 and FY

4/ H.R. 3453 and S. 1580, introduced in the 98th Congress, would have authorized an Excellence in Education Act. Neither bill was the subject of hearings or any further legislative action.

1986 appropriations of $5 million and $2.4 million, respectively, left little or no funding available for the School Excellence awards.

ALLOCATION FORMULA AND PROCESS

This is a competitive grant program under which local school districts nominate individual schools as potential grant recipients. Chief State school officers, in turn, forward 25 of these nominations to the Secretary of Education. The Secretary can select up to 500 schools from these nominations.

PROGRAM FUNDING HISTORY

The Excellence in Education Act was funded for FY 1985 and FY 1986. The table below provides final appropriations for FY 1985 through FY 1987.

Table 1: Funding for the Excellence in Education Act
(in thousands of dollars)

Fiscal Year	Appropriation	Percentage Change From From Previous Year
FY 1985	$5,000	
FY 1986	$2,392	-52.2
FY 1987	$ -0-	

PARTICIPATION LEVEL AND TRENDS

The first awards under the Excellence in Education Act, announced July 11, 1986, went to 60 schools in the Special School award category (approximately $2 million in two-year grants) and to 61 schools in the School Excellence category (approximately $1 million in one-year grants). These awards were made with FY 1985 funds.

SYNTHESIS OF EVALUATION FINDINGS

The Excellence in Education Act has not been evaluated.

ADDITIONAL PROGRAM BACKGROUND INFORMATION AND ISSUES

This section is not included in this chapter.

OPTIONS AND ALTERNATIVES

This section is not included in this chapter.

SOURCES OF ADDITIONAL INFORMATION

This section is not included in this chapter.

XVI. "TERRITORIAL" ASSISTANCE

SUMMARY OF PROGRAM PURPOSE AND STRUCTURE

The "Territories"--Outlying Areas [1] of the U.S. other than the 50 States, the District of Columbia, or the Commonwealth of Puerto Rico--participate in many Federal education assistance programs, either by being treated as "States," or by having a specified percentage (typically 1 percent) of program appropriations set-aside for them. Separate legislative provisions authorize the consolidation of most Federal education programs in the Outlying Areas (P.L. 95-134), or the waiver for these Areas of specific requirements generally associated with Federal elementary and secondary education assistance programs (section 1003 of the Elementary and Secondary Education Act). However, there are two programs that authorize education aid solely for one or more of the Outlying Areas--the programs of General Aid for the Virgin Islands and of Territorial Teacher Training. As the titles imply, these programs authorize general financial assistance for elementary and secondary education in the Virgin

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[1] In this report, the general term, "Outlying Areas," rather than "Territory," will be used to refer to Guam, American Samoa, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, and the former "Trust Territory of the Pacific Islands," because few of these areas--and soon, none of them--are "Territories" in the strict, legal sense. Each of these Areas now has--or soon will have--a status other than that of "Territory," e.g., a "Commonwealth" status, such as that of Puerto Rico.

Islands, and assistance to both pre-service and in-service elementary and secondary teacher training in all of the Outlying Areas.

BRIEF LEGISLATIVE HISTORY

The "Territorial" Assistance programs were first authorized as sections 1524 (Virgin Is. aid) and 1525 (teacher training) of the **Education Amendments of 1978 (P.L. 95-561).** Since the initial enactment, this legislation has been amended only twice: in the **Omnibus Budget Reconciliation Act** (P.L. 97-35), under which the authorization was extended through FY 1984, with an annual appropriations authorization limitation of $2.7 million for aid to the Virgin Islands (compared to $5 million previously); and in the **Education Amendments** of **1984 (P.L. 98-511)**, under which the appropriations authorization was extended but no other changes were made. Currently, each of these programs is authorized through FY 1989, at an annual level of $5,000,000 for General Assistance for the Virgin Islands and $2,000,000 for Territorial Teacher Training.

[ALLOCATION FORMULA AND PROCESS]

[No allocation formulas are specified in the statutes for these programs.]

PROGRAM FUNDING HISTORY

On the following pages are tables showing the appropriations for the "Territorial" Assistance programs, with the annual percentage change in current and estimated constant dollars.

The Program Of Territorial Teacher Training: Appropriations History In Current And Estimated Constant Dollars

Fiscal Year	Territorial Teacher Training Appropriation (in thousands of current dollars)	Percentage Change From Previous Year (current dollars)	Percentage Change From Previous Year (constant dollars)
1980	$2,000		
1981	$1,800	-10.0%	-17.6%
1982	$960	-46.7%	-51.1%
1983	$960	0.0%	-6.8%
1984	$1,000	4.2%	-1.6%
1985	$2,000	100.0%	88.3%
1986	$1,914	-4.3%	-8.9%
1987	$2,000	4.5%	1.5%
Net change, 1980 to 1987		0.0%	-35.5%

Note: The price index used is the (fixed-weight) deflator for State and local government purchases of services, received from the Bureau of Economic Analysis, Department of Commerce, on Aug. 19, 1986. For fiscal year 1986, the index is based on data for the first 3 quarters of the year only. Also, for fiscal years 1987 and 1988, price index numbers are estimated on the basis of Congressional Budget Office projections of the rate of increase in the overall Gross National Product deflator (published in Aug. 1986).

The Program Of General Assistance For The Virgin Islands: Appropriations History
In Current And Estimated Constant Dollars

Fiscal Year	General Assistance for the Virgin Is. Appropriation (in thousands of current dollars)	Percentage Change From Previous Year (current dollars)	Percentage Change From Previous Year (constant dollars)
1980	$3,000		
1981	$2,700	-10.0%	-17.6%
1982	$1,920	-28.9%	-34.8%
1983	$1,920	0.0%	-6.8%
1984	$1,920	0.0%	-5.5%
1985	$2,700	40.6%	32.4%
1986	$4,785	77.2%	68.8%
1987	$5,000	4.5%	1.5%
Net change, 1980 to 1987		66.7%	7.5%

Note: The price index used is the (fixed-weight) deflator for State and local government purchases of services, received from the Bureau of Economic Analysis, Department of Commerce, on Aug. 19, 1986. For fiscal year 1986, the index is based on data for the first 3 quarters of the year only. Also, for fiscal years 1987 and 1988, price index numbers are estimated on the basis of Congressional Budget Office projections of the rate of increase in the overall Gross National Product deflator (published in Aug. 1986).

PARTICIPATION LEVEL AND TRENDS

The program of General Aid for the Virgin Islands has only one participating grantee. However, the funds have been used for a variety of purposes. Among these purposes have been school construction and repair, operation of curriculum development centers, removal of asbestos from buildings, remedial education, acquisition of library and instructional materials, initiation of a program of agricultural education, educational research and dissemination, and purchase of school security systems.

Under the Territorial Teacher Training program, one grant has been made each fiscal year since FY 1980 to each of the 5 eligible areas (American Samoa, Guam, the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and the Virgin Islands). Grants are allocated among the areas in proportion to their school-age population, but with a minimum of 5 percent of the funds to each area. In each year since FY 1980, approximately 2,000 persons have received either pre-service or in-service teacher training under this program.

[SYNTHESIS OF EVALUATION FINDINGS]

[There have been no evaluations of these programs.]

ADDITIONAL PROGRAM BACKGROUND INFORMATION AND ISSUES

Grant Consolidation Authority

As noted earlier, the Outlying Areas are eligible to participate in most of the other programs of Federal aid to elementary and secondary education.

Under such programs as the Education Consolidation and Improvement Act, the Outlying Areas receive 1 percent of appropriations but contain only approximately 0.25 percent of the National total school-age population. Assistance is similarly provided under a number of other Federal education programs. It might be argued that the Outlying Areas are, therefore, receiving at least an "equitable" share of Federal elementary and secondary education assistance, and it is not appropriate to provide additional assistance for which only they can qualify. This might be especially applicable to the General Aid for the Virgin Islands, since such Federal aid for general elementary and secondary education expenses is not provided to other areas, except in the special case of the impact aid programs (P.L. 815 and 874, 81st Congress), in which the Virgin Islands also participate.

In addition, the Outlying Areas are authorized to receive special degrees of flexibility in the use of Federal education assistance funds, that are not available to the States. Under section 1003 of the Elementary and Secondary Education Act (ESEA), the Secretary of Education is authorized to waive any requirements associated with programs under the ESEA or the Education Consolidation and Improvement Act (ECIA) for the Outlying Areas. This waiver authority may be exercised if the requirement is "impractical or inappropriate because of conditions or circumstances particular to any of such jurisdictions" (sec. 1003(a)(1)). In addition, under title V of P.L. 95-134, any Federal agency is authorized to consolidate grants--as well as application and reporting requirements--to the Outlying Areas under any of the agency's programs, except those providing aid directly to individuals (such as some forms of postsecondary student aid). Where such grant consolidation occurs, funds can be used for any of the purposes for which they could be used under any of the programs that were consolidated. This authority is currently utilized to consolidate grants under most Department of Education elementary and secondary education assistance programs, in most of the Outlying Areas. Those in favor of terminating the programs of Territorial Teacher Training or General Assistance for the Virgin Islands might argue that substantial aid for a wide variety of purposes--with an uniquely high level of local flexibility and low level of administrative burden--is already provided to the Outlying Areas under the consolidated grants, and the two specific programs are, therefore, unnecessary.

In contrast, proponents of continuing the current programs might argue that they were enacted to address specific and substantial educational problems that the Outlying Areas have insufficient resources to alleviate themselves. The median family income for each of the Outlying Areas is well below that for the 50 States, and these areas generally lack the tradition or resources to provide "State" and local support for elementary and secondary education to the same extent as in the rest of the United States. The widely dispersed population of the Pacific Islands also creates special difficulties and costs for the provision of teacher training and other services.

Territorial Status

The Trust Territory of the Pacific Islands--which includes all of the Pacific Islands except the State of Hawaii and the Commonwealth of the Northern Mariana Islands, Guam, and American Samoa--is currently in an advanced stage of terminating its Territorial status and becoming independent. "Compacts of Free Association" have been negotiated with the 3 new Nations that the Trust Territory is to become--the Republic of Palau, the Republic of the Marshall Islands, and the Federated States of Micronesia. The remaining stages of this process are resolution of certain legal difficulties in Palau, and United Nations action to formally dissolve the United States' "trust" relationship to these areas. Under the Compacts of Free Association, each of the new Nations will be provided with a wide range of services, as well as general financial support, by the United States for an extended period of time.

[SOURCES OF ADDITIONAL INFORMATION]

[There are no additional, relevant sources of information on this program.]

XVII. ELLENDER FELLOWSHIPS

SUMMARY OF PROGRAM PURPOSE AND STRUCTURE

The Ellender Fellowship program was authorized as a memorial to the late Senator Allen J. Ellender of Louisiana. The legislation authorizes only grants to the Close-Up Foundation, a Washington, D.C.-based organization, the purpose of which is to increase understanding of Federal governmental processes among secondary-level students and teachers. The Close-Up Foundation was established in 1971, and was apparently supported by Senator Ellender before his death in 1972. The Foundation's primary activities are: conducting week-long seminars on American government in Washington, D.C., for high school students and teachers; providing technical assistance to State and local programs of education about government; and producing instructional television programs for transmission via the C-SPAN (Cable-Satellite Public Affairs Network) system.

The Close-Up Foundation receives funds from a variety of public and private sources. Federal appropriations for Ellender Fellowships are used specifically to provide assistance to economically disadvantaged high school students, and their teachers, in meeting the costs of attending the Washington, D.C., seminars. According to the Department of Education, approximately one-quarter of the participants in these seminars receive Ellender Fellowships, and for those recipients, the Ellender Fellowships pay approximately one-third of transportation and other participation costs. The remainder of the seminar costs for Ellender Fellowship recipients are paid from public and private matching funds, generated in the localities wherein the students and teachers live. The legislation requires that Fellowships be provided to participants from rural, small town, and urban areas.

BRIEF LEGISLATIVE HISTORY

The Ellender Fellowship program was initially authorized in P.L. 92-506, enacted on October 19, 1972. This legislation established the purpose and structure of the program, and has been substantively amended only once (see below) after it was originally enacted. The program was initially authorized for fiscal years 1973-1975.

The legislation for the Ellender Fellowship program was subsequently amended on four occasions, under P.L. 94-277, P.L. 94-482 (The Education Amendments of 1976), P.L. 97-35 (Omnibus Budget Reconciliation Act of 1981), and P.L. 98-312. The latter three amendments consisted simply of extensions of the period for which the program is authorized to receive appropriations--the current authorization is through FY 1989--and increases in the appropriations authorization level--from an initial level of $500,000 to a level of $2,000,000 for FY 1987, and $2,500,000 for each of FY 1988 and 1989. Under P.L. 94-277, the program was also amended to remove an annual limitation (of 1,500) on the number of Ellender Fellowships that could be granted, and to require that efforts be made to include participants from rural, small town, and urban areas in the program.

[ALLOCATION FORMULA AND PROCESS]

[There is no allocation formula for this program.]

PROGRAM FUNDING HISTORY

The annual appropriations for this program with the percentage change in current and estimated constant dollars, are listed in the following table.

The Ellender Fellowship Program, P.L. 92-506, As Amended: Appropriations History
In Current And Estimated Constant Dollars, In Terms Of Appropriations (Budget Authority)

Fiscal Year	Ellender Fellowship Appropriation (in thousands of current dollars)	Percentage Change From Previous Year (current dollars)	Percentage Change From Previous Year (constant dollars)
1973	$500		
1974	$500	0.0%	-6.1%
1975	$500	0.0%	-7.8%
1976	$500	0.0%	-8.8%
1977	$750	50.0%	37.4%
1978	$750	0.0%	-6.5%
1979	$1,000	33.3%	24.5%
1980	$1,000	0.0%	-8.4%
1981	$1,000	0.0%	-8.5%
1982	$960	-4.0%	-11.9%
1983 (for 1983)	$1,500	56.3%	45.7%
1983 (for 1984)	$1,500	0.0%	-5.5%
1984 (for 1985)	$1,500	0.0%	-5.8%
1985 (for 1986)	$1,500	0.0%	-4.8%
1986 (for 1987)	$1,627	8.5%	5.4%
1987 (for 1988)	$1,700	4.5%	0.4%
Net change, 1973 to 1987 (for 1988)		240.0%	21.7%

Note: The price index used is the (fixed-weight) deflator for State and local government purchases of services, received from the Bureau of Economic Analysis, Department of Commerce, on Aug. 19, 1986. For fiscal year 1986, the index is based on data for the first 3 quarters of the year only. Also, for fiscal years 1987 and 1988, price index numbers are estimated on the basis of Congressional Budget Office projections of the rate of increase in the overall Gross National Product deflator (published in Aug. 1986).

PARTICIPATION LEVEL AND TRENDS

As noted earlier, in the legislative history section, the Ellender Fellowship legislation initially included a limitation on the number of participants of 1,500 per year. This limitation was later removed (P.L. 94-277).

The number of fellowships actually awarded was approximately 1,500 for each of fiscal years 1973-1976. The participation rose gradually, to a level of approximately 2,000 per year, in the period of FY 1977-1983. However, beginning in FY 1983, participation has more than doubled, rising to an estimated 5,800 for FY 1986. The reasons for this large increase are a higher appropriation level (see table), a switch from a current to a forward funding schedule (which has apparently aided in planning), and greater success by the Foundation in raising local matching funds (requiring fewer Federal funds per participant). The average Federal cost per participant has fallen from approximately $400 in FY 1978 to an estimated $281 in FY 1986. While total costs have substantially risen over this period, a higher proportion of them are paid from non-Federal sources.

SYNTHESIS OF EVALUATION FINDINGS

A review of the Close-Up program's activities was conducted by the Social Science Education Consortium in 1981. 1/ The authors of this brief review, based primarily on interviews of participants, concluded that:

> . . . Close-Up has developed a unique and exemplary approach for providing enriched, intensive instruction about the Federal Government. As a result of their one-week experience, students appear to acquire additional knowledge, to hold more positive

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1/ Close-Up Experience: A Report On A Week In Washington, D.C., Social Science Education Consortium, Boulder, Colorado, Summer 1981.

> attitudes about politics, and to feel more competent to participate in political activities. 2/

However, there has been no substantial evaluation of the specific effect of Federal support of the Close-Up program via Ellender Fellowships--e.g., whether and in what ways Ellender Fellowship recipients differ from other Close-Up participants, whether other sources of financial support could replace Federal funds if the Ellender Fellowship program were terminated or its appropriations level reduced, etc.

The relative lack of evaluation of this program seems to result from its small size, the brief period of participation for each individual, and--perhaps--relatively uncritical acceptance by the program's proponents of the benefits of bringing students and teachers to Washington for a personal encounter with governmental figures and processes. One's determination of the value of Close-Up's activities would appear to depend more on whether one accepts the validity of this assumption than on any of the minimal evaluation results that currently exist.

[ADDITIONAL PROGRAM BACKGROUND INFORMATION AND ISSUES]

[No additional, relevant information is available.]

[SOURCES OF ADDITIONAL INFORMATION]

[There are no additional, relevant sources of information on this program.]

2/ Quoted in U.S. Department of Education, Annual Evaluation Report On Department of Education Programs, FY 1983, p. 110-3.